



**Committed to the future of rural communities**  
**Estamos dedicados al futuro de las comunidades rurales**





**USDA**



**United States Department of Agriculture  
Rural Development**





## ENERGY-BIOFUELS

- BUSINESS AND INDUSTRY LOAN GUARANTEE
- BIOREFINERY ASSISTANCE PROGRAM
- REPOWERING ASSISTANCE PROGRAM
- BIOENERGY PROGRAM FOR ADVANCED BIOFUELS

## ENERGY-ENERGY CREATION

- RURAL ENERGY FOR AMERICA PROGRAM
- HIGH ENERGY COST GRANTS

## ENERGY-ENERGY CONSERVATION

- HIGH ENERGY COST GRANTS
- RURAL ENERGY FOR AMERICA PROGRAM
- VALUE ADDED PRODUCER GRANTS
- RECOVERY THROUGH RETROFIT
- RURAL ENERGY SELF-SUFFICIENCY INITIATIVE
- SUPER GREEN/ NET ZERO ENERGY CONSUMPTION

## BUSINESS PROGRAMS

- BUSINESS AND INDUSTRY LOAN GUARANTEE
  - INTERMEDIARY RELENDING PROGRAM
  - RURAL BUSINESS ENTERPRISE GRANTS
  - RURAL BUSINESS OPPORTUNITY GRANTS
-



## COMMUNITY PROGRAMS

- WATER & WASTE DISPOSAL
- SEARCH GRANTS
- COMMUNITY FACILITIES
  - LOAN - GUARANTEE
  - LOAN - DIRECT
- BROADBAND
  - COMMUNITY CONNECT GRANTS
  - DISTANCE LEARNING AND TELEMEDICINE
  - BROADBAND LOAN PROGRAM

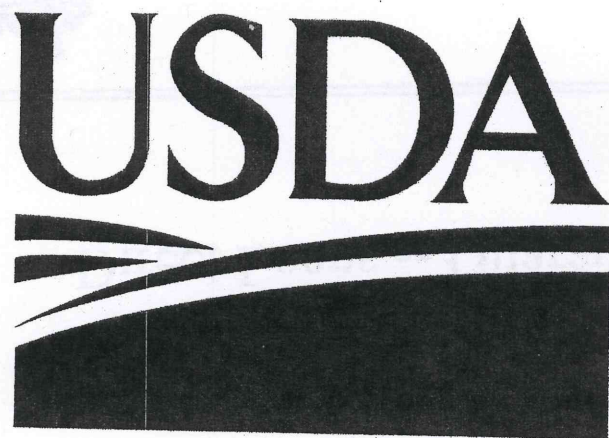
## HOUSING

- SINGLE FAMILY
  - LOAN - DIRECT
  - LOAN - GUARANTEE
  - REPAIR - GRANT
  - REPAIR - LOAN
- RECOVERY THROUGH RETROFIT
- MULTI-FAMILY
  - RURAL RENTAL LOAN - GUARANTEE
  - RURAL RENTAL LOAN - DIRECT
  - FARM LABOR HOUSING
- SUPER GREEN/ NET ZERO
- SELF HELP HOUSING

## PLANNING GRANTS

- RURAL COMMUNITY DEVELOPMENT INITIATIVE
- RURAL BUSINESS OPPORTUNITY GRANTS
- SEARCH GRANTS





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*-Improving the quality of life of all rural Americans*

*-Increasing economic opportunity in rural America*



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# *Rural Development*

**More Than 40 Rural Development Programs:**

- ✓ **Energy**
- ✓ **Business**
- ✓ **Community**
- ✓ **Housing**
- ✓ **Planning**



Direct Loans -- Guaranteed Loans -- Grants



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# *Rural Development*

- Creating economic opportunities in rural communities
- \$21.25 Billion in Fiscal Year `10 Appropriated Funds, an increase of \$1.9 billion, or almost 10 percent, from last year.
- 500 Local Service Offices
- 6,100 experienced Economic Development staff
- \$142 Billion Loan Portfolio



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# Seven Economic Development Strategies

- **Capital Markets**
- **Regional Food Systems**
- **Alternative Energy:**
- **Broadband and Continuous Business Creation**
- **Strategic Partners**
- **Community Building**
- **Regional Collaboration**



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# *Energy - Biofuels*

- Business and Industry Loan Guarantee
- Biorefinery Assistance Program
- Repowering Assistance Program
- Bioenergy Program for Advanced Biofuels



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# *Energy – Energy Creation*

- Rural Energy for America Program
- High Energy Cost Grants



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# *Energy – Energy Conservation*

- High Energy Cost Grants
- Rural Energy for America Program
- Recovery through Retrofit
- Rural Energy Self-Sufficiency Initiative
- Super Green/ Net Zero Energy Consumption



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# *Business Programs*

- Business and Industry Loan Guarantee
- Intermediary Relending Program
- Rural Business Enterprise Grants
- Rural Business Opportunity Grants



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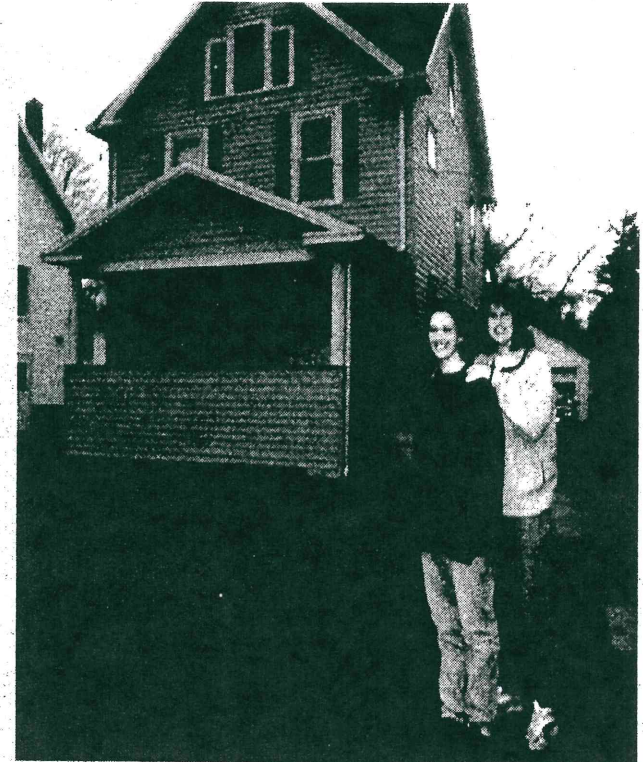
# *Community Programs*

- Water and Waste Disposal
- Search Grants
- Community Facilities
- Broadband



# *Housing*

- Single Family
- Recovery Through Retrofit
- Multi-Family
- Super Green/Net Zero
- Self-Help Housing



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# *Planning Grants*

- Rural Community Development Initiative
- Rural Business Opportunity Grants
- Search Grants



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# *Summary*

- The Obama Administration is working hard to create the financial and technical tools to help rural America revitalize and rebuild.



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7. Project cost per owner-producer;
8. Presidential initiatives.

Applications will be evaluated by technical experts appointed by USDA Rural Development.

### Recipient Responsibilities

1. Recipients will need to submit documentation substantiating information regarding ownership, finances, and support referenced in the application. Those groups receiving working capital awards will need to provide feasibility studies and business plans;
2. Recipients will need to enter into a grant agreement with Rural Development;
3. Recipients should use grant and matching funds within 1 year of beginning work on the grant;
4. Recipients will need to report on the progress of the project on a semi-annual basis, with a final report due at the end of the project.

### For More Information

For more information, visit our Web page on the Internet:

[www.rurdev.usda.gov/rbs/coops/vadg.htm](http://www.rurdev.usda.gov/rbs/coops/vadg.htm).

Or contact your USDA Rural Development State Office or any Rural Development field office. You can reach your State Office by calling (202) 720-4323 and pressing "1".

You may also contact USDA Rural Development Cooperative programs at (202) 720-7558 or by e-mail: [CPGrants@wdc.usda.gov](mailto:CPGrants@wdc.usda.gov).



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# Partners in Value

USDA Rural Development  
Value-Added Producer Grants

*Building a stronger rural economy  
through value-added business*

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 and employer.

PA 1810  
February 2005  
Slightly Revised January 2006

Cover photos courtesy: Amazing Grains Grower Cooperative, a producer of gluten-free flour in Ronan, Montana.





## Value?

As producers of crops and livestock, American farmers and ranchers receive only what the market pays for a raw commodity. But when they are able to perform further processing themselves, they can reap far greater rewards—money that would otherwise go to other "middlemen," often in distant locations.

Examples of producers' adding value themselves could include a co-op or other group of wheat growers processing their own grain into bread or pizza crusts, or corn growers processing their grain into ethanol. Value-added efforts such as these not only help producers keep more of the profits derived from their efforts, but they usually help to keep more dollars in rural areas of the nation. As more foreign nations develop modern agricultural systems, it becomes ever more imperative for American producers to pursue value-added activities.

It is the goal of the Value-Added Producer Grants (VAPG) program of USDA Rural Development to help accelerate the pace of the transformation of the nation's agricultural economy into one focused on producer-owned, value-added businesses.

Since 2001, USDA has awarded more than \$115 million for 756 VAPG projects.

## What Is Value-Added?

Value-Added is defined as the incremental value that is realized by the producer from an agricultural commodity or product as the result of:

1. a change in the physical state (e.g., wheat into flour);

2. differentiated production or marketing, as demonstrated in a business plan (e.g., organic tomatoes);
3. product segregation (e.g., identity-preserved corn);
4. production of farm- or ranch-based renewable energy (e.g., electricity generated from an anaerobic lagoon).

## Program Background

The VAPG program was first authorized by the Agricultural Risk Protection Act of 2000 and was amended by the 2002 Farm Bill. Grants are made to enable producers to develop businesses that produce and market value-added agricultural products. It is the policy of the Secretary of Agriculture to fund a broad diversity of projects that help increase the agricultural producers' customer base and share of the food and agricultural system profit.

## Eligible Applicants

1. Independent producers;
2. Farmer or rancher cooperatives;
3. Agricultural producer groups;
4. Majority-controlled producer-based business ventures.

## Eligible Purposes

1. Planning activities, such as conducting feasibility studies and developing business plans for processing and marketing value-added agricultural products.
2. Working capital expenses for processing and marketing value-added agricultural products, including inventory, salaries, and office supplies.

## Ineligible Uses of Funds

1. Pay costs of preparing the application package for funding for the VAPG program;
2. Pay costs of the project incurred prior to grant approval;
3. Fund political activities;
4. Plan, repair, rehabilitate, acquire, or construct a building or facility (including a processing facility);
5. Purchase, rent, or install fixed equipment.
6. Pay for the repair of privately owned vehicles;
7. Fund research or development;
8. Pay for production-related expenses;
9. Purchase land.

## Grant Selection

Planning grants will be evaluated based on the following criteria:

1. Nature of the proposed venture;
2. Qualifications of those doing the work;
3. Project leadership;
4. Commitments and support;
5. Work plan/budget;
6. Amount requested;
7. Project cost per owner-producer;
8. Presidential initiatives.

## Working capital grants will be evaluated based on the following criteria:

1. Business viability;
2. Customer base/increased returns;
3. Commitments and support;
4. Management team/work force;
5. Work plan/budget;
6. Amount requested;



Transfer at the Beltsville address given above; telephone: 301-504-5989.

**SUPPLEMENTARY INFORMATION:** The Federal Government's rights in this plant variety are assigned to the United States of America, as represented by the Secretary of Agriculture. It is in the public interest to so license this variety as T. A. Seeds LLC of Jersey Shore, Pennsylvania has submitted a complete and sufficient application for a license. The prospective exclusive license will be royalty-bearing and will comply with the terms and conditions of 35 U.S.C. 209 and 37 CFR 404.7. The prospective exclusive license may be granted unless, within thirty (30) days from the date of this published Notice, the Agricultural Research Service receives written evidence and argument which establishes that the grant of the license would not be consistent with the requirements of 35 U.S.C. 209 and 37 CFR 404.7.

Richard J. Brenner,  
Assistant Administrator.

[FR Doc. E9-20928 Filed 8-31-09; 8:45 am]

BILLING CODE 3410-03-P

## DEPARTMENT OF AGRICULTURE

### Forest Service

#### Notice of Proposed New Fee; Federal Lands Recreation Enhancement Act, (Title VIII, Pub. L. 108-447)

**AGENCY:** Dixie National Forest, USDA Forest Service.

**ACTION:** Notice of proposed new fee.

**SUMMARY:** The Dixie National Forest is proposing to charge a fee for overnight rental of the Pine Valley Guard Station of \$75 in the summer and \$40 in the winter. This guard station has not been available for recreation use prior to this date. Rentals of other guard stations on the Dixie National Forest have been very popular, illustrating that people appreciate and enjoy the availability of these historic buildings.

The Pine Valley Guard Station is located at the edge of the Pine Valley Wilderness Area and within the Pine Valley Recreation Area, and will sleep up to six people. The site is located in Washington County, Utah. The guard station will have hot and cold running water in the summer, flush toilet, shower, electricity, refrigerator, and wood stove. Bunks and all cooking and eating utensils will be provided for renters.

Determination of the fee price is based on the level of amenities and services provided, cost of operations and maintenance, market assessment, and

public comment. The fee is proposed and will be determined upon further analysis and public comment. Funds from fees would be used for the continued operation and maintenance and improvements of this guard station.

**DATES:** Comments will be accepted through October 15, 2009. New fees would begin May 2010.

**ADDRESSES:** Pine Valley Ranger District, Attn: Recreation Fee Program, 196 E. Tabernacle, Suite 38, St. George, Utah 84770 or <http://www.fs.fed.us/r4/dixie/contact/feedback.shtml> (include "Recreation Fee Program" in the subject line).

**FOR FURTHER INFORMATION CONTACT:** Gretchen Merrill, Public Service Staff Officer, 435-865-3741. Information about proposed fee changes can also be found on the Intermountain Region Web site: <http://www.fs.fed.us/r4/recreation/rac/index.shtml>.

**SUPPLEMENTARY INFORMATION:** The Federal Recreation Lands Enhancement Act (Title VII, Pub. L. 108-447) directed the Secretary of Agriculture to publish a six month advance notice in the *Federal Register* whenever new recreation fee areas are established. Once public involvement is complete, these new fees will be reviewed by a Recreation Resource Advisory Committee prior to a final decision and implementation.

Dated: August 19, 2009.

Robert G. MacWhorter,  
Forest Supervisor.

[FR Doc. E9-20853 Filed 8-31-09; 8:45 am]

BILLING CODE 3410-11-M

## DEPARTMENT OF AGRICULTURE

### Rural Business-Cooperative Service

#### Announcement of Value-Added Producer Grant Application Deadlines

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Notice of withdrawal of Solicitation of Applications (NOSA) and republication of Notice of Funds Available (NOFA) Announcement of Value-Added Producer Grant Application Deadlines.

**SUMMARY:** Rural Development (RD) previously withdrew the May 6, 2009 *Federal Register* notice (74 FR 20900), which was published in error, announcing the availability of approximately \$18 million in competitive grants for fiscal year (FY) 2009 to help independent agricultural producers enter into value-added activities. This notice announces the

availability of approximately \$18 million in competitive grants for fiscal year (FY) 2009 to help independent agricultural producers enter into or expand value-added activities, with the following clarifications and alterations:

(1) Highlights the inclusion of Beginning and Socially Disadvantaged farmers and ranchers, as well as operators of Small and Medium-sized farms or ranches that are structured as a Family Farm, and provides more weight in the scoring process, (2) deletes contradictory language related to the eligibility of applicants under the newly allowable mid-tier value chain provision by clarifying that the applicant entity must be eligible under the legislatively-stated categories (but the network they are part of can include virtually any type of organization), (3) establishes the upper limit of "medium-sized farm" at between \$250,001 and \$700,000 in annual gross sales of agricultural product, (4) revises the list of renewable energy technologies that are eligible for funding, (5) clarifies that different documentation standards apply for Planning Grants versus Working Capital Grants, (6) deletes "Innovation" as a specific scoring criteria, (7) allows branding, packaging and other means of product differentiation as a component of a value added strategy in all product eligibility categories, and (8) provides a 90-day application period.

USDA Rural Development welcomes projects that highlight innovative uses of agricultural products. This may include using existing agricultural products in non-traditional ways and/or merging agricultural products with technology in creative ways. As with all value-added efforts, generating new products, creating expanded marketing opportunities and increasing producer income are the end goal. Applications proposing to develop innovative, sustainable products, businesses, or marketing opportunities that accelerate creation of new economic opportunities and commercialization in the agri-food, agri-science, or agriculture products integrated or merged with other sciences or technologies are invited. This may include alternative uses of agricultural products as well as, value-added processing of agricultural commodities to produce bio-materials (e.g. plastics, fiberboard), green chemicals, functional foods (e.g. lutin enhanced "power bar" snacks, soy enhanced products), nutraceuticals, on-farm renewable energy, and biofuels (e.g. ethanol, bio-diesel).

Awards may be made for planning activities or for working capital expenses, but not for both. The



maximum grant amount for a planning grant is \$100,000 and the maximum grant amount for a working capital grant is \$300,000.

Ten percent of available funds are reserved to fund applications submitted by Beginning Farmers or Ranchers and Socially Disadvantaged Farmers or Ranchers, with working definitions derived from 7 U.S.C. 1991(a) and 2003(e) and provided in section I of this notice. An additional ten percent of available funds are reserved to fund Mid-Tier Value Chain projects, as defined in section I of this notice (both collectively referred to as "reserved funds").

**DATES:** Applications for grants must be submitted on paper or electronically according to the following deadlines:

Paper applications for both reserved and unreserved funds must be postmarked and mailed, shipped, or sent overnight no later than November 30, 2009, to be eligible for FY 2009 grant funding. Late applications are not eligible for FY 2009 grant funding.

Electronic applications for both reserved and unreserved funds must be received by November 30, 2009, to be eligible for FY 2009 grant funding. Late applications are not eligible for FY 2009 grant funding.

**ADDRESSES:** Paper applications must be submitted to the Rural Development State Office for the State in which the Project will primarily take place. Addresses may be found at: [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html).

Electronic applications must be submitted through the Grants.gov Web site at: <http://www.grants.gov>, following the instructions therein.

**FOR FURTHER INFORMATION CONTACT:** For assistance, applicants should visit the program Web site at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. In addition, applicants should contact their USDA Rural Development State Office by calling 800-670-6553 and pressing "1," or by selecting the Contact Information link at the above Web site.

Applicants are encouraged to contact their State Offices well in advance of the deadline to discuss their projects and ask any questions about the application process. Applicants may submit drafts of their applications to their State Offices for a preliminary review anytime prior to October 1, 2009. The preliminary review will only assess the eligibility of the application and its completeness. The results of the preliminary review are not binding on the Agency.

**SUPPLEMENTARY INFORMATION:**

**Overview**

*Federal Agency:* USDA Rural Business Cooperative Services.

*Funding Opportunity Title:* Value-Added Producer Grants.

*Announcement Type:* Reissued announcement.

*Catalog of Federal Domestic Assistance Number:* 10.352.

*Dates:* Applications for grants must be submitted on paper or electronically according to the following deadlines:

Paper applications for both reserved and unreserved funds must be postmarked and mailed, shipped, or sent overnight no later than November 30, 2009, to be eligible for FY 2009 grant funding. Late applications are not eligible for FY 2009 grant funding.

Electronic applications for both reserved and unreserved funds must be received by November 30, 2009, to be eligible for FY 2009 grant funding. Late applications are not eligible for FY 2009 grant funding.

**I. Funding Opportunity Description**

This solicitation is issued pursuant to section 231 of the Agriculture Risk Protection Act of 2000 (Pub. L. 106-224) as amended by section 6202 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) (see 7 U.S.C. 1621 note) authorizing the establishment of the Value-Added Agricultural Product Market Development grants, also known as Value-Added Producer Grants. The Secretary of Agriculture has delegated the program's administration to USDA Rural Development Cooperative Programs.

The primary objective of this grant program is to help Independent Producers of Agricultural Commodities, Agriculture Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Business Ventures develop strategies to create marketing opportunities and to help develop Business Plans for viable marketing opportunities regarding production of bio-based products from agricultural commodities. Cooperative Programs will competitively award funds for Planning Grants and Working Capital Grants. In order to provide program benefits to as many eligible applicants as possible, applicants must apply only for a Planning Grant or for a Working Capital Grant, but not both. Grants will only be awarded if Projects are determined to be economically viable and sustainable.

USDA Rural Development is encouraging applications from Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, and operators of Small or Medium-Sized

Farms and Ranches that are structured as a Family Farm, as defined in this notice. Priority points will be assigned to eligible applicants in those categories. As with all value-added efforts, generating new products, creating expanded marketing opportunities and increasing producer income are the end goal. Please note that businesses of all sizes may apply. In FY 2008, 31 percent of awards were \$50,000 or less.

**Definitions**

The definitions at 7 CFR 4284.3 and 4284.904 are incorporated by reference, with the exception of the definition of Value-Added, which is superseded by the definition of Value-Added Agricultural Product as published in the 2008 Farm Bill and is included below. In addition, the Agency uses the following terms in this NOSA: Agricultural Commodity, Beginning Farmer or Rancher, Business Plan, Conflict of Interest, Family Farm, Feasibility Study, Local and Regional Supply Network, Locally Produced Agricultural Food Product, Marketing Plan, Medium-Sized Farm, Mid-Tier Value Chain, Pro Forma Financial Statements, Project, Small Farm, Socially Disadvantaged Farmer or Rancher, and Venture. It is the Agency's position that those terms are defined as follows.

*Agricultural Commodity*—An unprocessed product of farms, ranches, nurseries, and forests. Agricultural Commodities include: Livestock, poultry, and fish; fruits and vegetables; grains, such as wheat, barley, oats, rye, triticale, rice, corn, and sorghum; legumes, such as field beans and peas; animal feed and forage crops; seed crops; fiber crops, such as cotton; oil crops, such as safflower, sunflower, corn, and cottonseed; trees grown for lumber and wood products; nursery stock grown commercially; Christmas trees; ornamentals and cut flowers; and turf grown commercially for sod. Agricultural Commodities do not include horses or animals raised as pets, such as cats, dogs, and ferrets.

*Beginning Farmer or Rancher*—An entity in which: (1) All owners have operated a farm or a ranch for not more than 10 years; and (2) all owners materially and substantially participate in the operation of a farm or a ranch; and (3) all owners provide substantial day-to-day labor and management of a farm or a ranch. For VAPG, a Beginning Farmer or Rancher must currently be producing the agricultural commodity to which value will be added.

*Business Plan*—A formal statement of a set of business goals, the reasons why they are believed attainable, and the



plan for reaching those goals, including three years of pro forma financial statements. It may also contain background information about the organization or team attempting to reach those goals.

**Conflict of Interest**—A situation in which a person or entity has competing professional or personal interests that make it difficult for the person or business to act impartially. An example of a Conflict of Interest is a grant recipient or an employee of a recipient that conducts or significantly participates in conducting a Feasibility Study for the recipient.

**Family Farm**—See 7 CFR 761.2.

**Feasibility Study**—An independent, third party analysis that shows how the Venture would operate under a set of assumptions—the technology used (the facilities, equipment, production process, etc.), the qualifications of the management team, and the financial aspects (capital needs, volume, cost of goods, wages, etc.). The analysis should answer the following questions about the Venture.

- (1) Where is it now?
- (2) Where do the owners of the Venture want to go?
- (3) Why do the owners of the Venture want to go forward with the Venture?
- (4) How will the owners of the Venture accomplish the Venture?
- (5) What resources are needed?
- (6) Who will provide assistance?
- (7) When will the Venture be completed?
- (8) How much will the Venture cost?
- (9) What are the risks?

**Local and Regional Supply Network**—An interconnected group of food-related entities through which food products move from production through consumption in a local or regional area of the U.S. Examples of food-related entities include, but are not limited to, Agricultural Producers, processors, distributors, wholesalers, retailers, consumers, and any other related organizations, including entities that organize or provide technical assistance for such networks or help to establish new or emerging networks. **Locally Produced Agricultural Food Product**—Any agricultural food product that is raised, produced, and distributed in—

- (1) The locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or
- (2) The State in which the product is produced.

**Marketing Plan**—A plan for the Venture conducted by a qualified consultant that identifies a market window, potential buyers, a description

of the distribution system and possible promotional campaigns.

**Medium-Sized Farm**—A farm or ranch that has averaged between \$250,001 and \$700,000 in annual gross sales of agricultural products in the previous three years.

**Mid-Tier Value Chain**—Local and regional supply networks that link independent producers with businesses and cooperatives that market Value-Added Agricultural Products in a manner that—

(1) Targets and strengthens the profitability and competitiveness of small and medium-sized farms and ranches that are structured as a family farm; and

(2) Obtains agreement from an eligible Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business Venture that is engaged in the value chain on a marketing strategy.

(3) For Mid-Tier Value Chain projects the Agency recognizes that, in a supply chain network, a variety of raw agricultural commodity and value-added product ownership and transfer arrangements may be necessary. Consequently, applicant ownership of the raw agricultural commodity and value-added product from raw through value-added is not necessarily required, as long as the mid-tier value chain proposal can demonstrate an increase in customer base and an increase in revenue returns to the applicant producers supplying the majority of the raw agricultural commodity for the project.

**Pro Forma Financial Statements**—Financial statements that identify the future financial position of a company. They are part of the Business Plan and include an explanation of all assumptions, such as input prices, finished product prices, and other economic factors used to generate the financial statements. They must include projections in the form of cash flow statements, income statements, and balance sheets. Income statements and cash flow statements must be monthly for the first year, then annual for future years. The balance sheet should be annual for all years.

**Project**—Includes all proposed activities to be funded by the VAPG and Matching Funds.

**Small Farm**—A farm or ranch that has averaged \$250,000 or less in annual gross sales of agricultural products in the previous three years.

**Socially Disadvantaged Farmer or Rancher**—A farmer or rancher who is a member of a "socially disadvantaged group." In this definition, the term farmer or rancher means a person that

is directly engaged in farming or ranching or an entity solely owned by individuals who are directly engaged in farming or ranching. A socially disadvantaged group means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. In the event that there are multiple farmer or rancher owners of the applicant organization, the Agency requires that at least 51 percent of the owners are members of a socially disadvantaged group.

**Value-Added Agricultural Product**—Any agricultural commodity or product that—

(1)(i) Has undergone a change in physical state;

(ii) Was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a Business Plan that shows the enhanced value, as determined by the Secretary;

(iii) Is physically segregated in a manner that results in the enhancement of the value of the Agricultural Commodity or product;

(iv) Is a source of farm- or ranch-based renewable energy, including E-85 fuel; or

(v) Is aggregated and marketed as a locally-produced agricultural food product; and

(2) As a result of the change in physical state or the manner in which the Agricultural Commodity or product was produced, marketed, or segregated—

(i) The customer base for the agricultural commodity or product is expanded; and

(ii) A greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

**Venture**—Includes the Project and any other activities related to the production, processing, and marketing of the Value-Added product that is the subject of the VAPG grant request. Please note that not all Venture-related expenses will be eligible for this program.

## II. Award Information

**Type of Award:** Grant.

**Fiscal Year Funds:** FY 2009.

**Approximate Total Funding:** \$18 million.

**Approximate Number of Awards:** 80.

**Approximate Average Award:** \$140,000.

**Floor of Award Range:** None.



*Ceiling of Award Range:* \$100,000 for Planning Grants and \$300,000 for Working Capital Grants.

*Anticipated Award Date:* January 7, 2010.

*Budget Period Length:* Not to exceed 3 years.

*Project Period Length:* Not to exceed 3 years.

### III. Eligibility Information

#### A. Eligible Applicants

Applicants must be an Independent Producer, Agriculture Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business Venture as defined in 7 CFR part 4284, subpart A. An applicant applying as an Independent Producer must be 100 percent owned by Independent Producers. The owner(s) must currently own and produce more than 50 percent of the Agricultural Commodity that will be used for the Value-Added Agricultural Product, and that product must be owned by the Independent Producer owners from its raw commodity state through the marketing of the final product. Examples of Independent Producers are steering committees, sole proprietorships, LLCs, LLPs, other for-profit corporations, and non-profit corporations.

An applicant applying as an Agriculture Producer Group must have a mission that includes working on behalf of Independent Producers. The majority of its membership and board of directors must meet the definition of an Independent Producer. The applicant must identify the Independent Producers on whose behalf the proposed Project will be completed. Note that this type of applicant may not apply on behalf of its entire membership. The Independent Producers on whose behalf the proposed Project will be completed must currently own and produce more than 50 percent of the Agricultural Commodity that will be used for the Value-Added Agricultural Product, and that product must be owned by the Independent Producer owners from its raw commodity state through the marketing of the final product. Examples of Agriculture Producer Groups are trade or commodity associations.

An applicant applying as a Farmer or Rancher Cooperative must demonstrate that it is a farmer or rancher-owned and controlled business from which benefits are derived and distributed equitably on the basis of use by each of the farmer or rancher owners. The cooperative must be in good standing and incorporated as a cooperative in its state of

incorporation. The owners must currently own and produce more than 50 percent of the Agricultural Commodity that will be used for the Value-Added Agricultural Product, and that product must be owned by the Independent Producer owners from its raw state through the marketing of the final product.

Farmer or Rancher Cooperatives that are 100 percent owned by farmers and ranchers must apply as Farmer or Rancher Cooperatives. It is the Agency's position that if a cooperative is 100 percent owned and controlled by agricultural harvesters (e.g., fishermen, loggers), it is eligible only as an Independent Producer and not as a Farmer or Rancher Cooperative. If a cooperative is not 100 percent owned and controlled by farmers and ranchers or 100 percent owned and controlled by agricultural harvesters, it may still be eligible to apply as a Majority-Controlled Producer-Based Business Venture, provided it meets the definition in 7 CFR part 4284, subpart A.

An applicant applying as a Majority-Controlled Producer-Based Business Venture must have more than 50 percent of its ownership and control held by Independent Producers; or partnerships, LLCs, LLPs, corporations, or cooperatives that are themselves 100 percent owned and controlled by Independent Producers. The Independent Producer owners must currently own and produce more than 50 percent of the Agricultural Commodity that will be used for the Value-Added Agricultural Product, and that product must be owned by the Independent Producer owners from its raw commodity state through the marketing of the final product. Examples of Majority-Controlled Producer-Based Business Ventures are LLCs, LLPs, and other for-profit corporations. No more than 10 percent of program funds can go to applicants that are Majority-Controlled Producer-Based Business Ventures.

Applicants other than Independent Producers must limit their Projects to Emerging Markets. All applicants must demonstrate an increase in customer base and an increase in revenue returns to the producers.

If the applicant is an unincorporated group (steering committee), it must form a legal entity before the Grant Agreement can be approved by the Agency. A steering committee may only apply as an Independent Producer. Therefore, the steering committee must be 100 percent composed of Independent Producers and the business to be formed must meet the definition

of Independent Producer, as defined in 7 CFR 4284, subpart A.

Entities that contract out the production of an Agricultural Commodity are not considered Independent Producers.

Any businesses that are selected for awards must provide documentation that they are in good standing with the state of incorporation.

In addition to the above requirements, applicants may direct that their applications be considered for reserved funds if they provide documentation and discussion to demonstrate that they meet the definition of a Beginning Farmer or Rancher, or a Socially Disadvantaged Farmer or Rancher as defined in Section I of this notice.

In addition to the above requirements, applications may be considered for reserved funds if the applicant provides discussion and documentation to demonstrate that the proposed project meets the definition of a Mid-Tier Value Chain as defined in Section I of this notice. Applicants must be an eligible Independent Producer, Farmer or Rancher Cooperative, Agriculture Producer Group, or Majority Controlled Producer-Based Business Venture and must demonstrate that they propose to develop an interconnected food-related supply network of business enterprises through which food products move from production through consumption in a local and/or regional area in the United States. This supply network must link independent producers with businesses and cooperatives that market Value-Added Agricultural Products in a manner that targets and strengthens the profitability and competitiveness of Small and Medium-Sized Farms and Ranches that are structured as a Family Farm. The *eligible Agriculture Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business Venture applicant* must obtain at least one agreement from another member of the network engaged in the value chain on a marketing strategy. The *eligible Independent Producer applicant* must obtain at least one agreement from an eligible Agriculture Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer Based Business Venture engaged in the value-chain on a marketing strategy. For Planning Grants, examples of agreements include, but are not limited to, letters of intent to partner on marketing, distribution, or processing. For Working Capital Grants, examples of agreements include, but are not limited to, marketing agreements, distribution agreements, and processing agreements. For Mid-Tier Value Chain projects, the applicant must currently own and



produce more than 50% of the raw commodity that will be used for the value-added product that is the subject of the proposal. Because the Agency recognizes that, in a supply chain network, a variety of raw agricultural commodity and value-added product ownership and transfer arrangements may be necessary, applicant ownership of the raw agricultural commodity and value-added product from raw through value-added is not necessarily required, as long as the proposal can demonstrate an increase in customer base and an increase in revenue returns to the applicant producers supplying the majority of the raw agricultural commodity for the project.

### B. Cost Sharing or Matching

Matching Funds are required, must be at least equal to the amount of grant funds requested, and are subject to the same use restrictions as grant funds. Applicants must verify in their applications that eligible Matching Funds are available for the time period of the grant. Unless provided by other authorizing legislation, other Federal grant funds cannot be used as Matching Funds. Matching Funds must be spent at a rate equal to or greater than the rate at which grant funds are expended. If Matching Funds are provided in an amount exceeding the minimum requirement the applicant must spend their Matching Funds contribution at a proportional rate. For example, if an applicant proposes to provide 75 percent of the total Project cost in Matching Funds and a grant is awarded, the Agency expects that the grantee will expend at least \$0.75 of Matching Funds for every \$0.25 of grant funds expended.

Matching Funds must be provided by either the applicant or by a third party in the form of cash or eligible in-kind contributions. Applicants that are awarded grants may not change the source, type, or amount of Matching Funds proposed in their applications without prior written approval from the Agency. Matching Funds must be spent on eligible expenses and must be from eligible sources.

### C. Other Eligibility Requirements

**Product Eligibility:** The project proposed must involve a Value-Added product as defined in Section I of this notice. There are five methods through which value-added can be demonstrated. Regardless of which method is used, an expansion of customer base and an increase in revenue to the agricultural producers must also be demonstrated.

1. A change in physical state occurs when an Agricultural Commodity

cannot be returned to its original state. Examples of value-added products in this category are fish fillets, diced tomatoes, ethanol, bio-diesel, and wool rugs. Common production or harvesting methods are not considered a change in physical state. For example, dehydrated corn, bottled milk, raw fiber, Christmas trees, and cut flowers are not eligible in this category.

2. Production in a manner that enhances the value of the Agricultural Commodity occurs when a nonstandard production method adds value per unit of production over a standard production method. It is the Agency's position that only Working Capital applications are eligible for this category because the enhanced value must be demonstrated using information from a Feasibility Study and Business Plan developed for the Venture. Examples are organic carrots, eggs produced from free-range chickens, and beef produced from cattle fed a "natural" diet.

3. Physical segregation that enhances the value of the Agricultural Commodity occurs when a physical barrier (*i.e.* distance or a structure) separates a commodity from other varieties of the same commodity on the same farm during production and that the separation continues through the harvesting, processing, and marketing of the product or commodity. An example is genetically-modified corn and non-genetically modified corn produced on the same farm, but physically separated so that no cross-pollination occurs.

4. A source of farm- or ranch-based renewable energy is an Agricultural Commodity or Product used to generate energy on a farm or ranch. Technologies that convert agricultural commodities and products into energy (*e.g.* biomass, such as anaerobic digesters, algae, *etc.*) are eligible in this category. On-farm generation of energy through wind, solar, geothermal and hydroelectric are eligible ONLY when they are used in the production of a value-added product. Wind, solar, geothermal and hydroelectric are not eligible if they are simply converted to electricity and sold off the farm. Fuels that are not generated on a farm or ranch owned or leased by the owners of the Venture are not eligible under this category, but may be considered under the first category.

5. Aggregation and marketing of locally-produced agricultural food products occurs when any food product made from an Agricultural Commodity is raised, produced, and marketed within 400 miles of the farm that produced the commodity or within the same State as that farm. Applications should demonstrate and quantify how local sales and marketing of an

agricultural commodity or product will result in added value to the product. Examples include local grapes with specific characteristics attributable to the growing area, sold to a processor that will produce a select/vintage local wine, or local sweet corn advertised and sold at a premium as a fresher, locally produced alternative to non-local produce. Please note that organic produce or other types of products that are produced in a manner that enhances their value can apply for grants under this category as long as 100 percent of the marketing of the product will occur within 400 miles of the farm that produced the Agricultural Commodity.

**Note:** Applications that propose only branding, packaging, or other similar means of product differentiation are not eligible in any category. However, applications may propose branding, packaging, or other product differentiation activities as a *component* of a value-added strategy for products otherwise eligible in one of the above categories. Eligible activities must be directly related to the processing and marketing of the value-added agricultural commodity or product, and cannot include evaluation or analysis of related agricultural production activities for the agricultural commodity.

**Purpose Eligibility:** The application must specify whether grant funds are requested for planning or for working capital activities. Applicants may not request funds for both types of activities in one application. Working capital expenses are not considered eligible for Planning Grants and planning expenses are not considered eligible for Working Capital Grants. Applications requesting more than the maximum grant amount will be considered ineligible.

It is the Agency's position that applicants other than Independent Producers applying for a Working Capital Grant must demonstrate that the Venture has not been in operation more than two years at the time of application in order to show that the applicant is entering an Emerging Market. All applicants must demonstrate an increase in customer base and an increase in revenue returns to producers from their project.

**Grant Period Eligibility:** Applicants may propose a timeframe for the grant project up to a maximum 36 months in length. Projects cannot begin earlier than March 1, 2010 and cannot end later than February 28, 2013. Applications that request funds for a time period beginning prior to March 1, 2010 and/or ending after February 28, 2013 will be considered ineligible, as will applications that exceed a maximum 36 months in length. Applicants may propose a start date falling any time



during March 1, 2010 through September 30, 2010. If the project period will be longer than one year, the applicant must identify a separate, unique task(s) for the first year and for any subsequent year of the proposed project. The Agency will consider requests for an extension on a case-by-case basis if extenuating circumstances prevent a grantee from completing an award within the approved grant period, but no extensions can be approved to extend the grant period beyond a total of three years.

**Multiple Grant Eligibility:** An applicant can submit only one application in response to this notice. The application must designate whether the application submitted should be considered for the general funds program or for one of the reserved funding options.

Applicants who have already received a Planning Grant for the proposed Project cannot receive another Planning Grant for the same Project. Applicants who have already received a Working Capital Grant for a Project cannot receive any additional grants for that Project.

**Current Grant Eligibility:** If an applicant currently has a VAPG, it must be completed prior to November 30, 2009.

**Judgment Eligibility:** In accordance with 7 CFR 4284.6.

#### IV. Application and Submission Information

##### A. Address To Request Application Package

The application package for applying on paper for this funding opportunity can be obtained at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. Alternatively, applicants may contact their USDA Rural Development State Office. The State Office can be reached by calling 800-670-6553 and pressing "1." For electronic applications, applicants must visit <http://www.grants.gov> and follow the instructions therein.

##### B. Content and Form of Submission

Applications must be submitted on paper or electronically. An Application Guide may be viewed at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. It is strongly recommended that applicants use the template provided on the Web site. The template can be filled out electronically and printed out for submission with the required forms for a paper submission or it can be filled out electronically and submitted as an attachment through Grants.gov.

If an application is submitted on paper, one signed original and one copy of the complete application must be submitted.

If the application is submitted electronically, the applicant must follow the instructions given at <http://www.grants.gov>. Applicants are strongly advised to visit the site well in advance of the application deadline to insure that they have obtained the proper authentication and have sufficient computer resources to complete the application.

The Agency will conduct an initial screening of all applications for eligibility and to determine whether the application is complete and sufficiently responsive to the requirements set forth in this notice to allow for an informed review. Information submitted as part of the application will be protected from disclosure to the extent permitted by law.

Applicants must complete and submit the elements listed below, except as noted in the next paragraph. Please note that the requirements in the following locations within 7 CFR part 4284 have been combined with other requirements to simplify the application and reduce duplication: 7 CFR 4284.910(c)(5)(i), 4284.910(c)(5)(ii), and 4284.910(c)(5)(iv).

Applicants requesting less than \$50,000 are not required to submit the following items at the time of application. However, if selected for an award, the applicants will be required to submit these items as part of the conditions of the award: Form SF-424A (section IV, B.2), Form SF-424B (section IV, B.3), Title Page (section IV, B.4), Goals of the Project (section IV, B.8.i), and Performance Evaluation Criteria (section IV, B.8.ii).

1. *Form SF-424, "Application for Federal Assistance."* The form must be completed, signed and submitted as part of the application package. All applicants are also required to have an Employer Identification Number (or a Social Security Number if the applicant is an individual or steering committee) and a DUNS number (including individuals and sole proprietorships). The DUNS number is a nine-digit identification number which uniquely identifies business entities. To obtain a DUNS number, access <http://www.dnb.com/us>, or call (866) 705-5711.

2. *Form SF-424A, "Budget Information—Non-Construction Programs."* This form must be completed and submitted as part of the application package.

3. *Form SF-424B, "Assurances—Non-Construction Programs."* This form

must be completed, signed, and submitted as part of the application package.

4. *Title Page (limited to one page).* The title page must include the title of the project and may include other relevant identifying information.

5. *Table of Contents.* A detailed Table of Contents (TOC) immediately following the title page is required.

6. *Executive Summary (limited to one page).* The Executive Summary should briefly describe the Project, including goals, tasks to be completed and other relevant information that provides a general overview of the Project. The applicant must specify whether they intend to compete in the General Funds or one of the Reserved Funds competitions and clearly state whether the application is for a Planning Grant or a Working Capital Grant and the grant amount requested.

7. *Eligibility Discussion (limited to six pages).* The applicant must provide the following information so that the Agency can assess the eligibility of the applicant and the proposed Project. Answers of zero or none may not disqualify an applicant, depending on what type of applicant organization is applying.

i. *Applicant Eligibility.* Applicants must provide the following information so that the Agency can determine the eligibility of the applicant organization for assistance.

- Describe the applicant in a brief statement (for example, individual farm or membership organization, etc.) and identify its legal structure (for example sole proprietorship, LLC, LLP, cooperative, non-profit organization, or others described in detail).

- Identify the owners or members who will be contributing the Agricultural Commodity to which value will be added to the Project. Applicants must provide the names of the individuals who are owners or members, as well as the percentage of their ownership in the organization. If the applicant organization is owned by entities other than individuals, it must identify those entities and provide a list of the individuals who own each entity. If the list is longer than a few lines, it should be attached as an appendix to the application and will not be counted toward the page limit of this section.

- A statement that certifies that these owners or members are actively and currently engaged in the production of the Agricultural Commodity.

- Describe how the applicant organization is governed or managed, including a description of whom and how many owners/members have voting rights, if applicable.



- The number of individuals on the governing board (e.g. board of directors).
  - The number of individuals on the governing board who have voting rights and are currently engaged in the production of the Agricultural Commodity to which value will be added and will be providing that commodity to the Project.
  - If the applicant organization is a membership organization, include the organization's mission statement, which must be copied from the organization's articles of incorporation, bylaws, or other governing documents.
  - The amount of the Agricultural Commodity needed for the Project. Planning applications must provide an estimate.
  - The amount of the Agricultural Commodity that will be provided by the owners or members of the applicant organization. Planning applications must provide an estimate.
  - The amount of the Agricultural Commodity that will be purchased or donated from third-party sources.
  - How the owners or members providing the Agricultural Commodity to the Project will maintain ownership of the commodity from its raw state to marketing the Value-Added Agricultural Product.
- ii. *Product Eligibility. Applicants must provide the following information so that the Agency can determine the eligibility of the Value-Added Agricultural Product to be marketed.*
- The Agricultural Commodity to which value will be added.
  - Describe the method or process through which value will be added. This must include at least one of the following: A change in physical state, a non-standard production method that enhances the commodity's value, physical segregation, on-farm or on-ranch generation of renewable energy, and/or a locally-produced agricultural food product.
  - The dollar amount of value added per production unit to the Agricultural Commodity that is attributed to the value-added process. Applicants for planning grants must estimate this amount while applicants for working capital grants must use the amount from their Feasibility Study and Business Plan results.
  - The Value-Added Agricultural Product that will be produced.
  - Describe the expansion of customer base for the Value-Added Agricultural Product. Those applying for a planning grant must provide an estimate for the expansion of customer base. Those applying for a working capital grant must supply the relevant information from the Feasibility Study and Business

Plan that was completed for the Venture. If no expansion of customer base exists or is likely to exist, the application is not eligible for funding.

- The amount of the increased portion of revenue derived from marketing the Value-Added Agricultural Product that will be available to the producers of the Agricultural Commodity to which value is added. Applicants for a planning grant must provide an estimate for the increase in revenue. Those applying for a working capital grant must supply the relevant information from the Feasibility Study and Business Plan that was completed for the Venture. If no increase in revenue exists or is likely to exist, the application is not eligible for funding.

iii. *Purpose Eligibility.* Applicants should specify whether grant funds will be used for eligible planning activities or working capital activities directly related to the processing and/or marketing of the value-added product. Applicants should specify the grant amount requested. The Agency will also evaluate the budget and work plan submitted in response to the Proposal Evaluation Criteria to determine eligibility. In addition, applicants for working capital activities should provide the following information that will be evaluated when determining Purpose Eligibility.

- A statement that an independent, third-party Feasibility Study has been conducted for the proposed Venture. The applicant must provide the name of the party who conducted the Feasibility Study and the date it was completed. The Feasibility Study should not be submitted with the application, but the Agency may request it at any time in order to facilitate its eligibility review.
- A statement that a Business Plan has been developed for the proposed Venture. The applicant must provide the name of the party who developed the Business Plan and the date it was completed. The Business Plan should not be submitted with the application, but the Agency may request it at any time in order to facilitate its eligibility review.
- Describe how long the applicant organization has been engaged in the Venture that is the subject of the application.

iv. *Reserved Funds Eligibility (The information below will not count towards proposal page limitation constraints.)*

- (a) In addition to the above information, if applying for Beginning Farmer or Rancher or Socially Disadvantaged Farmer or Rancher reserved funds, provide documentation demonstrating that the applicant

organization meets the definition of a Beginning Farmer or Rancher or a Socially Disadvantaged Farmer or Rancher.

(b) In addition to the above information, if applying for Mid-Tier Value Chain reserved funds, applicants must:

(1) Demonstrate that the *project* proposes development of a *Local or Regional Supply Network* of interconnected food-related business enterprises through which food products move from production through consumption in a local or regional area of the USA, including a description of the network, its component members, and its purpose;

(2) Describe at least two alliances, linkages or partnerships within the value chain that link independent producers with businesses and cooperatives that market Value-Added Agricultural Products in a manner that benefits Small- or Medium-Sized Farms that are structured as a Family Farm, including the names of the parties and the nature of their collaboration;

(3) Demonstrate how the project, due to the manner in which the VA product is marketed, will increase the profitability and competitiveness of at least two *eligible* Small- or Medium-Sized Farms or Ranches that are structured as a Family Farm ;

(4) Document that the eligible *Agriculture Producer Group (APG)/ Farmer or Rancher Cooperative (COOP)/ Majority-Controlled Producer Based Business Venture (MCPBBV) applicant organization* has obtained at least one agreement with another member of the supply network that is engaged in the value chain on a marketing strategy; or that the eligible *Independent Producer applicant* has obtained at least one agreement from an *eligible APG/COOP/ MCPBBV* engaged in the value-chain on a marketing strategy;

(5) Demonstrate that the *applicant* currently owns and produces more than 50% of the raw agricultural commodity that will be used for the value-added product that is the subject of the proposal; and

(6) Demonstrate that the project will result in an increase in customer base and an increase in revenue returns to the *applicant producers* supplying the majority of the raw agricultural commodity for the project.

8. *Proposal Narrative (limited to 15 pages).*

i. *Goals of the Project.* The application must include a clear statement of the ultimate goals of the Project, including an explanation of how a market will be expanded and the degree to which



incremental revenue will accrue to the benefit of the Agricultural Producer(s).

ii. *Performance Evaluation Criteria.* Applicants applying for Planning Grants must suggest at least one criterion by which their performance under a grant could be evaluated. Applicants applying for Working Capital Grants must identify the projected increase in customer base, revenue accruing to Independent Producers, and number of jobs attributed to the Project. Working capital projects with significant energy components must also identify the projected increase in capacity (e.g. gallons of ethanol produced annually, megawatt hours produced annually) attributed to the Project. Please note that these criteria are different from the Proposal Evaluation Criteria and are a separate requirement.

iii. *Proposal Evaluation Criteria.* Each of the proposal evaluation criteria referenced in Section V.A. of this funding announcement must be addressed, specifically and individually, in narrative form. Applications that do not address the appropriate criteria (Planning Grant applications must address Planning Grant evaluation criteria and Working Capital Grant applications must address Working Capital Grant evaluation criteria) will be considered ineligible.

9. *Certification of Matching Funds.* Applicants must certify that Matching Funds will be available at the same time grant funds are anticipated to be spent and that Matching Funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of Matching Funds will have been expended prior to submitting the request for reimbursement. This certification is a separate requirement from the verification of Matching Funds requirement. To fulfill this requirement, applicants must include a statement for this section that reads as follows: "[INSERT NAME OF APPLICANT] certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement." A separate signature is not required.

10. *Verification of Matching Funds.* Applicants must provide documentation of all proposed Matching Funds, both cash and in-kind. The documentation below must be included in the Appendix. Template letters for each type of matching funds are available at

<http://www.rurdev.usda.gov/rbs/coops/verifymatch031407.htm>.

i. *Matching funds provided by the applicant in cash.* A copy of a bank statement with an ending date within one month of the application submission and showing an ending balance equal to or greater than the amount of cash Matching Funds proposed is required.

ii. *Matching funds provided through a loan or line of credit.* The applicant must include a signed letter from the lending institution verifying the amount available, the purposes for which funds may be used, and the time period of availability of the funds. Specific dates (month/day/year) corresponding to the proposed grant period or to dates within the grant period when matching funds will be made available, must be included.

iii. *Matching funds provided by the applicant through an in-kind contribution.* The application must include a signed letter from the applicant verifying the goods or services to be donated, the value of the goods or services, and when the goods and services will be donated. Specific dates (month/day/year) corresponding to the proposed grant period or to dates within the grant period when matching contributions will be made available, must be included. Note that applicant in-kind match for planning grants should not include values for applicant time spent on feasibility or business planning activities due to a possible conflict of interest. Although applicants may participate with their consultant in the feasibility and business planning activities, they may not include their time as an in-kind match contribution to the project. This represents a possible conflict of interest and should be avoided in the application. Also note that if the applicant organization is purchasing goods or services for the grant (e.g. salaries, inventory), the contribution is considered a cash contribution and must be verified as described in paragraph i. above. Also, if an owner or employee of the applicant organization is donating goods or services, the contribution is considered a third-party in-kind contribution and must be verified as described in paragraph v. below.

iv. *Matching funds provided by a third party in cash.* The application must include a signed letter from that third party verifying how much cash will be donated and when it will be donated. Specific dates (month/day/year) corresponding to the proposed grant period or to dates within the grant period when matching funds will be made available, must be included.

v. *Matching Funds provided by a third party in-kind donation.* The application must include a signed letter from the third party verifying the goods or services to be donated, the value of the goods or services, and when the goods and services will be donated. Specific dates (month/day/year) corresponding to the proposed grant period or to dates within the grant period when matching contributions will be made available, must be included.

Verification for cash or in-kind contributions donated outside the proposed time period of the grant will not be accepted. Verification for in-kind contributions that are over-valued will not be accepted. The valuation process for the in-kind funds does not need to be included in the application, especially if it is lengthy, but the applicant must be able to demonstrate how the valuation was achieved at the time of notification of tentative selection for the grant award. If the applicant cannot satisfactorily demonstrate how the valuation was determined, the grant award may be withdrawn or the amount of the grant may be reduced.

Matching Funds are subject to the same use restrictions as grant funds. Matching Funds must be spent or donated during the grant period and the funds must be expended at a rate equal to or greater than the rate grant funds are expended. Some examples of acceptable uses for matching funds are: Skilled labor performing work required for the proposed Project, office supplies, and purchasing inventory. Some examples of unacceptable uses of matching funds are: Real property, fixed equipment, buildings, and vehicles.

Expected program income may not be used to fulfill the Matching Funds requirement at the time of application. If program income is earned during the time period of the grant, it is subject to the requirements of 7 CFR part 3015, subpart F and 7 CFR 3019.24 and any provisions in the Grant Agreement.

#### C. *Submission Dates and Times*

*Application Deadline Date:* November 30, 2009 for unreserved funds. November 30, 2009 for reserved funds.

*Explanation of Deadlines:* Paper applications must be postmarked, mailed, shipped, or sent overnight by the deadline date (see Section IV.F. for the address). Final electronic applications must be received by Grants.gov by the deadline date. If an application does not meet the deadline above, it will not be considered for funding. Applicants will be notified that their applications did not meet the submission deadline.



**D. National Environmental Policy Act**

All grants made under this NOFA are subject to the requirements of 7 CFR 1940 subpart G. Applications for planning purposes and technical assistance are generally categorically excluded from the environmental review process by § 1940.333, provided that the assistance is not related to the development of a specific site.

**E. Intergovernmental Review of Applications**

Executive Order (EO) 12372, Intergovernmental Review of Federal Programs, applies to this program. This EO requires that Federal agencies provide opportunities for consultation on proposed assistance with State and local governments. Many States have established a Single Point of Contact (SPOC) to facilitate this consultation. A list of States that maintain an SPOC may be obtained at <http://www.whitehouse.gov/omb/grants/spoc.html>. If an applicant's State has an SPOC, the applicant may submit the application directly for review. Any comments obtained through the SPOC must be provided to Rural Development for consideration as part of the application. If the applicant's State has not established an SPOC, or the applicant does not want to submit the application, Rural Development will submit the application to the SPOC or other appropriate agency or agencies.

Applicants are also encouraged to contact their Rural Development State Office for assistance and questions on this process. The Rural Development State Office can be reached by calling 800-670-6553 and selecting option "1" or by viewing the following Web site: <http://www.rurdev.usda.gov/>.

**F. Funding Restrictions**

Funding restrictions apply to both grant funds and matching funds. Funds may only be used for planning activities or working capital for Projects focusing on processing and marketing a value-added product.

1. Examples of acceptable planning activities include:

- i. Obtaining legal advice and assistance related to the proposed Venture;
- ii. Conducting a Feasibility Study of a proposed Value-Added Venture to help determine the potential marketing success of the Venture;
- iii. Developing a Business Plan that provides comprehensive details on the management, planning, and other operational aspects of a proposed Venture; and
- iv. Developing a marketing plan for the proposed Value-Added product,

including the identification of a market window, the identification of potential buyers, a description of the distribution system, and possible promotional campaigns.

2. Examples of acceptable working capital uses include:

- i. Designing or purchasing an accounting system for the proposed Venture;
- ii. Paying for salaries, utilities, and rental of office space;
- iii. Purchasing inventory, office equipment (e.g. computers, printers, copiers, scanners), and office supplies (e.g. paper, pens, file folders); and
- iv. Conducting a marketing campaign for the proposed Value-Added product.

3. No funds made available under this solicitation shall be used to:

- i. Plan, repair, rehabilitate, acquire, or construct a building or facility, including a processing facility;
- ii. Purchase, rent, or install fixed equipment, including processing equipment;
- iii. Purchase vehicles, including boats;
- iv. Pay for the preparation of the grant application;
- v. Pay expenses not directly related to the funded Venture;
- vi. Fund political or lobbying activities;
- vii. Fund any activities prohibited by 7 CFR parts 3015 and 3019;
- viii. Fund architectural or engineering design work for a specific physical facility;
- ix. Fund any expenses related to the production of any commodity or product to which value will be added, including seed, rootstock, labor for harvesting the crop, and delivery of the commodity to a processing facility. The Agency considers these expenses to be ineligible because the intent of the program is to assist producers with marketing value-added products rather than producing Agricultural Commodities;
- x. Fund research and development;
- xi. Purchase land;
- xii. Duplicate current services or replace or substitute support previously provided;
- xiii. Pay costs of the Project incurred prior to the date of grant approval;
- xiv. Pay for assistance to any private business enterprise which does not have at least 51 percent ownership by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence;
- xv. Pay any judgment or debt owed to the United States; or
- xvi. Conduct activities on behalf of anyone other than a specific

Independent Producer or group of Independent Producers. The Agency considers conducting industry-level Feasibility Studies and Business Plans that are also known as feasibility study templates or guides to be ineligible because the assistance is not provided to a specific group of Independent Producers.

xvii. Pay for any goods or services provided by a person or entity who has a Conflict of Interest. Also, note that in-kind Matching Funds may not be provided by a person or entity that has a Conflict of Interest. See Section IV.B.10.iii of this notice for additional information.

**G. Other Submission Requirements**

Paper applications must be submitted to the Rural Development State Office for the State in which the Project will primarily take place. Addresses can be found online at: [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html) or in the ADDRESSES section at the beginning of this Notice.

Applications can also be submitted electronically at <http://www.grants.gov>. Applications submitted by electronic mail or facsimile will not be accepted. Each application submission must contain all required documents in one envelope, if by mail or courier delivery service.

**V. Application Review Information****A. Criteria**

All eligible and complete applications will be evaluated based on the following criteria. Applications for Planning Grants have different criteria to address than applications for Working Capital Grants. Unless otherwise noted, all scoring for both Planning and Working Capital Grant applications will be done on a graduated scale reflecting how the criteria were addressed.

**1. Criteria for Planning Grant Applications**

i. *Nature of the proposed venture* (0–8 points). Projects will be evaluated for technological feasibility, operational efficiency, profitability, sustainability and the likely improvement to the local rural economy. Evaluators may rely on their own knowledge and examples of similar ventures described in the proposal to form conclusions regarding this criterion. Points will be awarded based on the greatest expansion of markets and increased returns to producers.

ii. *Qualifications of those doing work* (0–8 points). Proposals will be reviewed for whether the personnel who are



responsible for doing proposed tasks, including those hired to do the studies, have the necessary qualifications. If a consultant or others are to be hired, more points may be awarded if the proposal includes evidence of their availability and commitment as well. If staff or consultants have not been selected at the time of application, the application should include specific descriptions of the qualifications required for the positions to be filled. Qualifications of the personnel and consultants should be discussed directly within the response to this criterion. If resumes are included, those pages will count toward the page limit for the narrative.

iii. *Commitments and support* (0–5 points). Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature, level and quality of their contributions. End-user commitments will be evaluated on the basis of potential markets and the potential amount of output to be purchased. Proposals will be reviewed for evidence that the project enjoys third party support and endorsement, with emphasis placed on financial and in-kind support as well as technical assistance. Support should be discussed directly within the response to this criterion. If support letters are included, those pages will count toward the page limit for the narrative. Points will be awarded based on the greatest level of documented and referenced commitment.

iv. *Project leadership* (0–8 points). The leadership abilities of individuals (*i.e.* owners, not consultants) who are proposing the Venture will be evaluated as to whether they are sufficient to support a conclusion of likely project success. Credit may be given for leadership evidenced in community or volunteer efforts. Leadership abilities should be discussed directly within the response to this criterion. If resumes are attached at the end of the application, those pages will count toward the page limit for the narrative.

v. *Work plan/budget* (0–8 points). Applicants must submit a work plan and budget. The work plan will be reviewed to determine whether it provides specific and detailed descriptions of tasks that will accomplish the project's goals. The budget must present a detailed breakdown of all estimated costs associated with the planning activities and allocate these costs among the listed tasks. The source and use of grant and matching funds must be specified. Points may not be awarded unless

sufficient detail is provided to determine if funds are being used for qualified purposes. Matching funds as well as grant funds must be accounted for in the budget to receive points. If the project period will be longer than one year, the work plan and budget must identify a separate, unique task(s) for the first year and for any subsequent year of the proposed project. Any applications proposing a project of longer than one year with duplicative or similar activities in each year is ineligible for funding.

vi. *Amount requested* (0 or 5 points). Two points will be awarded for grant requests of \$50,000 or less. To determine the number of points to award, the Agency will use the amount indicated in the work plan and budget.

vii. *Project cost per owner-producer* (0–3 points). The applicant must state the number of Independent Producers that are owners of the Venture. Points will be calculated by dividing the amount of Federal funds requested by the total number of Independent Producers that are owners of the Venture. The allocation of points for this criterion shall be as follows:

- 0 points will be awarded to applications without enough information to determine the number of owner-producers.
- 1 point will be awarded to applications with a project cost per owner-producer of \$70,001–\$100,000.
- 2 points will be awarded to applications with a project cost per owner-producer of \$35,001–\$70,000.
- 3 points will be awarded to applications with a project cost per owner-producer of \$1–\$35,000.

An owner cannot be considered an Independent Producer unless he/she is a producer of the Agricultural Commodity to which value will be added as part of this Project. For Agriculture Producer Groups, the number used must be the number of Independent Producers represented who produce the commodity to which value will be added. In cases where family members (including husband and wife) are owners and producers in a Venture, each family member shall count as one owner-producer.

Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

viii. *Business management capabilities* (0–10 points). Applicants must discuss their financial management system, procurement procedures, personnel policies, property management system, and travel

procedures. Up to two points can be awarded for each component of this criterion, based on the appropriateness of the system, procedures or policies to the size and structure of the business applying. Larger, more complex businesses will be expected to have more complex systems, procedures, and policies than smaller, less complex businesses.

ix. *Sustainability and economic impact* (0–15 points). Projects will be evaluated based on the expected sustainability of the Venture and the expected economic impact on the local economy.

x. *Type of applicant* (0 or 15 points). If an application is from an applicant that is a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, or an operator of a Small or Medium-Sized Farm or Ranch that is structured as a Family Farm, 15 points will be awarded. Applicants must provide documentation that they meet one of these definitions to receive points.

xi. *Administrator points* (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 10 criteria). The Administrator of USDA Rural Development Business and Cooperative Programs may award additional points to recognize renewable energy, insure geographic distribution of grants, or encourage Value-Added Projects in under-served areas and groups. Applicants may submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

## 2. Criteria for Working Capital Applications

i. *Business viability* (0–8 points). Proposals will be evaluated on the basis of the technical and economic feasibility and sustainability of the Venture and the efficiency of operations. When responding to this criterion, applicants should reference critical data and information identified in the venture-specific feasibility study and business plan.

ii. *Customer base/increased returns* (0–8 points). Describe in detail how the customer base for the product being produced will expand because of the Value-Added Venture. Provide documented estimates of this expansion. Describe in detail how a greater portion of the revenue derived from the venture will be returned to the producers that are owners of the Venture. Applicants should also reference the pro forma financial statements developed for the Venture. Applications that demonstrate strong



growth in a market or customer base and greater Value-Added revenue accruing to producer-owners will receive more points than those that demonstrate less growth in markets and realized Value-Added returns.

iii. *Commitments and support* (0–5 points). Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature, level and quality of their contributions. End-user commitments will be evaluated on the basis of identified markets, letters of intent or contracts from potential buyers and the amount of output to be purchased. Applications will be reviewed for evidence that the Project enjoys third-party support and endorsement, with emphasis placed on financial and in-kind support as well as technical assistance. Support should be discussed directly within the response to this criterion. If support letters are included, those pages will count toward the page limit for the narrative. Points will be awarded based on the greatest level of documented and referenced commitment.

iv. *Management team/work force* (0–8 points). The education and capabilities of project managers and those who will operate the Venture must reflect the skills and experience necessary to affect Project success. The availability and quality of the labor force needed to operate the Venture will also be evaluated. Applicants must provide the information necessary to make these determinations. Applications that reflect successful track records managing similar projects will receive higher points for this criterion than those that do not reflect successful track records.

v. *Work plan/budget* (0–8 points). The work plan will be reviewed to determine whether it provides specific and detailed descriptions of tasks that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated with the proposed activities and allocation of these costs among the listed tasks. The source and use of grant and matching funds must be specified. Points may not be awarded unless sufficient detail is provided to determine if funds are being used for qualified purposes. Matching Funds as well as grant funds must be accounted for in the budget to receive points. If the project period will be longer than one year, the work plan and budget must identify a separate, unique task(s) for the first year and for any subsequent year of the proposed project. Any applications proposing a project of

longer than one year with duplicative or similar activities in each year is ineligible for funding.

vi. *Amount requested* (0 or 5 points). Two points will be awarded for grant requests of \$150,000 or less. To determine the number of points to award, the Agency will use the amount indicated in the work plan and budget.

vii. *Project cost per owner-producer* (0–3 points). The applicant must state the number of Independent Producers that are owners of the Venture. Points will be calculated by dividing the amount of Federal funds requested by the total number of Independent Producers that are owners of the Venture. The allocation of points for this criterion shall be as follows:

- 0 points will be awarded to applications without enough information to determine the number of owner-producers.
- 1 point will be awarded to applications with a project cost per owner-producer of \$200,001–\$300,000.
- 2 points will be awarded to applications with a project cost per owner-producer of \$100,001–\$200,000.
- 3 points will be awarded to applications with a project cost per owner-producer of \$1–\$100,000.

An owner cannot be considered an Independent Producer unless he/she is a producer of the Agricultural Commodity to which value will be added as part of this Project. For Agriculture Producer Groups, the number used must be the number of Independent Producers represented who produce the commodity to which value will be added. In cases where family members (including husband and wife) are owners and producers in a Venture, each family member shall count as one owner-producer.

Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

viii. *Business management capabilities* (0–10 points). Applicants should discuss their financial management system, procurement procedures, personnel policies, property management system, and travel procedures. Up to two points can be awarded for each component of this criterion, based on the appropriateness of the system, procedures or policies to the size and structure of business applying. Larger, more complex businesses will be expected to have more complex systems, procedures, and policies than smaller, less complex businesses.

ix. *Sustainability and economic impact* (0–15 points). Projects will be evaluated based on the expected sustainability of the Venture and the expected economic impact on the local economy.

x. *Type of applicant* (0 or 15 points). If an application is from an applicant that is a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, or an operator of a Small or Medium-Sized Farm or Ranch that is structured as a Family Farm, 15 points will be awarded. Applicants must provide documentation that they meet one of these definitions to receive points.

xi. *Administrator points* (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 10 criteria). The Administrator of USDA Rural Development Business and Cooperative Programs may award additional points to recognize renewable energy, insure geographic distribution of grants, or encourage Value-Added projects in under-served areas and groups. Applicants may submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

#### B. Review and Selection Process

The Agency will conduct an initial screening of all applications for eligibility and to determine whether the application is complete and sufficiently responsive to the requirements set forth in this notice to allow for an informed review. As part of this review, the Rural Development State Office may require Working Capital applicants to submit their Feasibility Studies and Business Plans after the application deadline, but prior to the selection of grantees to facilitate the eligibility review process.

All eligible and complete proposals will be evaluated by three reviewers based on criteria i through v described in Section V.A.1. or 2. One of these reviewers will be a Rural Development employee not from the servicing State Office and the other two reviewers will be non-Federal persons. All reviewers must either: (1) Possess at least five years of working experience in an agriculture-related field, or (2) have obtained at least a bachelors degree in one or more of the following fields: Agri-business, business, economics, finance, or marketing and have a minimum of three years of experience in an agriculture-related field (e.g. farming, marketing, consulting, university professor, research, officer for trade association, government employee for an agricultural program). Once the scores for criteria i through v have been



completed by the three reviewers, they will be averaged to obtain the independent reviewer score.

The application will also receive one score from the Rural Development servicing State Office based on criteria vi through x. This score will be added to the independent reviewer score.

Finally, the Administrator of USDA Rural Development Business and Cooperative Programs will award any Administrator points based on Proposal Evaluation Criterion xi. These points will be added to the cumulative score for criteria i through x. A final ranking will be obtained based solely on the scores received for criteria i through xi. Applications will be funded in rank order until available funds are expended. Any unfunded applications for reserved funds will automatically be considered for unreserved funds, if eligible, according to rank order.

After the award selections are made, all applicants will be notified of the status of their applications by mail. Grantees must meet all statutory and regulatory program requirements in order to receive their award. In the event that a grantee cannot meet the requirements, the award will be withdrawn. Applicants for Working Capital Grants must submit complete, independent third-party Feasibility Studies and Business Plans before the grant award can be finalized. All Projects will be evaluated by the servicing State Office prior to finalizing the award to ensure that funded Projects are likely to be feasible in the proposed project area. Regardless of scoring, a Project determined to be unlikely to be feasible by the servicing State Office with concurrence by the National Office will not be funded.

#### C. Anticipated Announcement and Award Dates

**Award Date:** The announcement of award selections is expected to occur on or about January 7, 2010.

### VI. Award Administration Information

#### A. Award Notices

Successful applicants will receive a notification of tentative selection for funding from Rural Development. Applicants must comply with all applicable statutes, regulations, and this notice before the grant award will receive final approval.

Unsuccessful applicants will receive notification, including dispute resolution alternatives, by mail.

#### B. Administrative and National Policy Requirements

7 CFR parts 1901 subpart E, 3015, 3019, and 4284 are applicable and may

be accessed at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>.

The following additional requirements apply to grantees selected for this program:

Grant Agreement.

Form RD 1942-46.

Form RD 1940-1, "Request for Obligation of Funds."

Form RD 1942-46, "Letter of Intent to Meet Conditions."

Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions."

Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions."

Form AD-1049, "Certification Regarding a Drug-Free Workplace Requirements (Grants)."

Form RD 400-4, "Assurance Agreement."

Additional information on these requirements can be found at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>.

**Reporting Requirements:** Grantees must provide Rural Development with a paper or electronic copy that includes all required signatures of the following reports. The reports must be submitted to the Agency contact listed on the Grant Agreement and Letter of Conditions. Failure to submit satisfactory reports on time may result in suspension or termination of the grant.

1. *Form SF-269 or SF-269A*. A "Financial Status Report," listing expenditures according to agreed upon budget categories, on a semi-annual basis. Reporting periods end each March 31 and September 30, regardless of when the grant period begins. Reports are due 30 days after the reporting period ends.

2. Semi-annual written performance reports that compare accomplishments to the objectives stated in the Grant Agreement, identify all tasks completed to date, and provide documentation supporting the reported results. The report should discuss any problems or delays that may affect completion of the project, as well as objectives for the next reporting period. Compliance with any special condition on the use of award funds should also be discussed. Reports are due as provided in paragraph 1. of this section. Supporting documentation for completed tasks includes, but is not limited to, Feasibility Studies, marketing plans, Business Plans, articles of incorporation and bylaws and an accounting of how working capital funds were spent.

3. A Final Project written performance report that compares accomplishments

to the objectives stated in the proposal is due within 90 days of the completion of the project. This report should identify all tasks completed and provide documentation supporting the reported results, as well as any problems or delays that affected completion of the project. Compliance with any special condition on the use of award funds should also be discussed. Supporting documentation for completed tasks includes, but is not limited to, Feasibility Studies, marketing plans, Business Plans, articles of incorporation and bylaws and an accounting of how working capital funds were spent. Planning Grant Projects must also report the estimated increase in revenue, increase in customer base, number of jobs created, and any other relevant economic indicators generated by continuing the project into its operational phase. Working Capital Grants must report the increase in revenue, increase in customer base, number of jobs created, any other relevant economic indicators generated by the project during the grant period in addition to total funds used for the Venture during the grant period. Total funds must include other Federal, State, local, and other funds used for the venture. Projects with significant energy components must also report expected or actual capacity (e.g. gallons of ethanol produced annually, megawatt hours produced annually) and any emissions reductions incurred during the project.

### VII. Agency Contacts

For general questions about this announcement and for program technical assistance, applicants should contact their USDA Rural Development State Office at [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html). The State Office can also be reached by calling 800-670-6553 and pressing "1." If an applicant is unable to contact their State Office, a nearby State Office may be contacted or the RBS National Office can be reached at Mail STOP 3250, Room 4016-South, 1400 Independence Avenue, SW., Washington, DC 20250-3250, Telephone: (202) 720-8460, e-mail: [cpgrants@wdc.usda.gov](mailto:cpgrants@wdc.usda.gov). Applicants are also encouraged to visit the application Web site for application tools including an application guide and templates. The Web address is: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>.

### VIII. Non-Discrimination Statement

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, SW., Washington, DC 20250-9410, or call (866) 632-9992 (voice) or (202) 401-0216 (TDD). USDA is an equal opportunity provider and employer.

Dated: August 25, 2009.

Judith A. Canales,

Administrator, Rural Business-Cooperative Service.

[FR Doc. E9-21030 Filed 8-31-09; 8:45 am]

BILLING CODE 3410-XY-P

## CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

### Sunshine Act Meeting—September 24, 2009—6:30 pm

In connection with its investigation into the cause of a February 7, 2008, an explosion and fire at the Imperial Sugar refinery northwest of Savannah, Georgia, the Chemical Safety and Hazard Investigation Board announces that it will convene a public meeting on September 24, 2009, starting at 6:30 pm at the Hilton Savannah DeSoto—15 East Liberty Street, Savannah, Georgia.

At the meeting CSB staff will present to the Board the results of their investigation into this incident. Key issues involved in the investigation concern combustible dust hazard recognition, minimizing combustible dust accumulation in the workplace, and equipment design and maintenance. This will be followed by a public comment period prior to a Board vote on the report.

**Incident:** On February 7, 2008, at about 7:15 p.m., a series of sugar dust explosions at the Imperial Sugar manufacturing facility in Port Wentworth, Georgia, resulted in 14 worker fatalities and 36 injuries. Eight workers died at the scene and six eventually succumbed to their injuries at the Augusta Burn Center. The explosions and subsequent fires destroyed the sugar packing buildings, palletizer room, and silos, and severely

damaged the bulk train car loading area and parts of the sugar refinery.

Following the staff presentation and the conclusion of the public comment period, the Board will consider whether to approve the final report and recommendations. All staff presentations are preliminary and are intended solely to allow the Board to consider in a public forum the issues and factors involved in this case. No factual analyses, conclusions or findings presented by staff should be considered final. Only after the Board has considered the final staff presentation, listened to the witnesses and the public comments and approved the staff report will there be an approved final record of this incident.

The meeting will be open to the public. Please notify CSB if a translator or interpreter is needed, at least 5 business days prior to the public meeting. For more information, please contact the Chemical Safety and Hazard Investigation Board at (202)-261-7600, or visit our Web site at: [www.csb.gov](http://www.csb.gov).

Christopher W. Warner,

General Counsel.

[FR Doc. E9-21127 Filed 8-28-09; 11:15 am]

BILLING CODE 6350-01-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-570-827)

#### Certain Cased Pencils from the People's Republic of China: Amended Final Results of Antidumping Duty Administrative Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On July 13, 2009, the Department of Commerce ("the Department") published the final results of the administrative review of the antidumping duty order on certain cased pencils from the People's Republic of China ("PRC"), covering the period December 1, 2006, through November 30, 2007. See *Certain Cased Pencils from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 74 FR 33406 (July 13, 2009) ("*Final Results*"). We are amending the *Final Results* to correct ministerial errors in the calculation of the weighted-average margin and the assessment rate applicable to entries by certain respondents to this proceeding, China First Pencil Co., Ltd. ("China First"), Shanghai Three Star Stationery Industry Co., Ltd. ("Three Star"), and

Orient International Holding Shanghai Foreign Trade Corporation ("SFTC") (collectively, "Respondents"), pursuant to section 751(h) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.224(e). We released the final amended results to the parties on Wednesday, August 19, 2009. However, that version inadvertently included an incorrect weighted average margin for SFTC, so this amended final results correct that error. The error was discovered prior to publication in the **Federal Register**; consequently, this amended notice is being published in its place.

**EFFECTIVE DATE:** September 1, 2009.

#### FOR FURTHER INFORMATION CONTACT:

David Layton or Alexander Montoro, at (202) 482-0371 or (202) 482-0238, respectively; AD/CD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

On July 20, 2009, China First, Three Star and SFTC submitted timely allegations of ministerial errors pursuant to 19 CFR 351.224(c)(1). First, Respondents alleged that the Department did not use the correct conversion percentage for slats. Second, Respondents alleged that the Department did not calculate the surrogate value for slats correctly. Third, Respondents alleged that the Department valued both lacquer and the inputs to make lacquer. Fourth, Respondents alleged that the Department should not have inflated the surrogate value for plastic toppers. Finally, Respondents alleged that the Department should adjust the separate rate assigned to SFTC after correcting for the above-described allegations of ministerial errors. See Memorandum from David Layton, Alexander Montoro, and Joseph Shuler, International Trade Compliance Analysts, to Susan Kuhbach, Director of AD/CD Operations, Office 1, "Ministerial Error Allegations" (August 18, 2009) ("*Ministerial Error Allegations Memo*").

On July 28, 2009, the petitioners to this proceeding, Sanford L.P., Musgrave Pencil Company, RoseMoon Inc., and General Pencil Company (collectively, "Petitioners"), submitted a reply to China First's, Three Star's and SFTC's ministerial error allegations. Petitioners argued that the Department must take into account China First's full lumber-to-slat yield loss ratio when calculating China First's slat surrogate value. In



## VAPG FY 2009 WORKING CAPITAL GRANT TEMPLATE INSTRUCTIONS

Applicants are encouraged to submit their draft applications by October 1, 2009 for a preliminary review. Draft applications should be submitted to the Area Specialist for your county.

- a. Preliminary reviews assess the application for completeness and eligibility.
- b. It is strongly recommended applicants submit their applications prior to the preliminary deadline.
- c. The Agency does not guarantee use of this template will ensure eligibility.
- d. Applicants should review the regulations and the NOSA in addition to using the template.
- e. The results of the preliminary review are not binding on the Agency.

### FINAL APPLICATIONS:

- 1) Paper copies must be **POSTMARKED** and mailed, shipped, or sent overnight no later than **NOVEMBER 30, 2009** to be eligible for this round of grant funding. Late applications are not eligible. Paper applications should be sent to:  
USDA Rural Development  
210 Walnut Street, 873 Federal Building  
Des Moines, Iowa 50309  
Phone: 515-284-4714  
Fax: 515-284-4859
- 2) Electronic copies submitted through Grants.gov must be received by **NOVEMBER 30, 2009** to be eligible for FY 2009 grant funding. Late applications are not eligible for FY 2009 grant funding.
- 3) Applicants must state whether they are applying for reserve funds or general funds. Reserve grant fund are as follows:
  - 10% of funds are reserved for Beginning Farmers or Ranchers and Socially Disadvantaged Farmers or Ranchers; and
  - 10% of funds are reserved for Mid Tier Value Chain ProjectsAll applicants other applicants are applying for general funds.
- 4) Paper copies - one signed original and one copy of the complete application must be submitted.
- 5) **Gray** items indicate required information to be inserted by the applicant. In some instances, there is language already highlighted in gray - this is meant as guidance/instruction for a particular bullet point or item that needs to be addressed by the applicant, and should be replaced with information submitted by the applicant.
- 6) **Green** items are instructions. This **DOES NOT** relieve the applicant of its responsibility to read and follow the NOSA. Please remove the **Green** instructions, and any other template highlighting from the final application
- 7) Applicants should address all items requested for each section, unless noted otherwise.
- 8) Non-highlighted items are part of the application. These portions are headings, formatting guides and standard material. Applicants should normally retain these portions as part of their applications.

### **FORMS**

Applicants must include the following Standard Forms as part of their application. A blank, fillable form is available at the following web address: <http://www.rurdev.usda.gov/ia/rbs-forms.html>.

- Form SF-424 Application for Federal Assistance**
  - The form must be completed, signed and submitted as part of the application package.
  - EIN/SSN - All applicants are required to have an Employer Identification Number (or a Social Security Number if the applicant is an individual or steering committee)
  - DUNS number - All applicants must have a DUNS number (including individuals and sole proprietorships). The DUNS number is a nine-digit identification number which uniquely identifies business entities. To obtain a DUNS number, access <http://www.dnb.com/us>, or call (866) 705-5711.
- \*SF-424A Budget Information—Non-Construction Programs**
  - The form must be completed and submitted as part of the application package.
- \*SF-424B Assurances—Non-Construction Programs**
  - The form must be completed, signed and submitted as part of the application package.
  - Include the name of the applicant organization (unless applying as an individual) and the signature of an authorized representative.

*\*These items are not required if the application is less than \$50,000. (If selected for an award, the applicant will be required to submit these items as part of the conditions of the award.)*



## **ATTENTION**

Use of this application template does not guarantee an application will be awarded funding and Rural Development is not responsible for any errors contained within this document. This application template is not intended to replace the VAPG regulations found at 7 C.F.R. 4284 or any additional requirements or clarifications provided by a Notice of Solicitation of Applications (NOSA). Applicants are responsible for any requirements found in applicable regulations or any applicable NOSA.

This application was created to address common errors and omissions in previous applications. A large percentage of ineligible applicants would have been eligible, except for omitted information from the application. It is estimated that in previous years, as many as 38% of applications received have been determined ineligible. History has also shown that an estimated 80% of ineligible applications may have been eligible except for these common errors and omissions in completing the application.

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## Area Specialists Are Available to Assist You

Business & Cooperative Programs Contact  
For Area 9 is: Chris Mercer,  
712-732-1851,  
[Chris.Mercer@ia.usda.gov](mailto:Chris.Mercer@ia.usda.gov)

Business & Cooperative Programs Contact  
For Area 10 is: Nancy Nielsen,  
515-332-4411,  
[Nancy.Nielsen@ia.usda.gov](mailto:Nancy.Nielsen@ia.usda.gov)

Business & Cooperative Programs Contact for Area 1 is: Connie Noll  
641-648-5181  
[Connie.Noll@ia.usda.gov](mailto:Connie.Noll@ia.usda.gov)

Business & Cooperative Programs Contact for Areas 2 is:  
Norm Brus, 319-352-1715,  
[Norm.Brus@ia.usda.gov](mailto:Norm.Brus@ia.usda.gov)

Business & Cooperative Programs Contact for Area 3 is: Tom Miller,  
563-886-6006,  
[Tom.Miller@ia.usda.gov](mailto:Tom.Miller@ia.usda.gov)

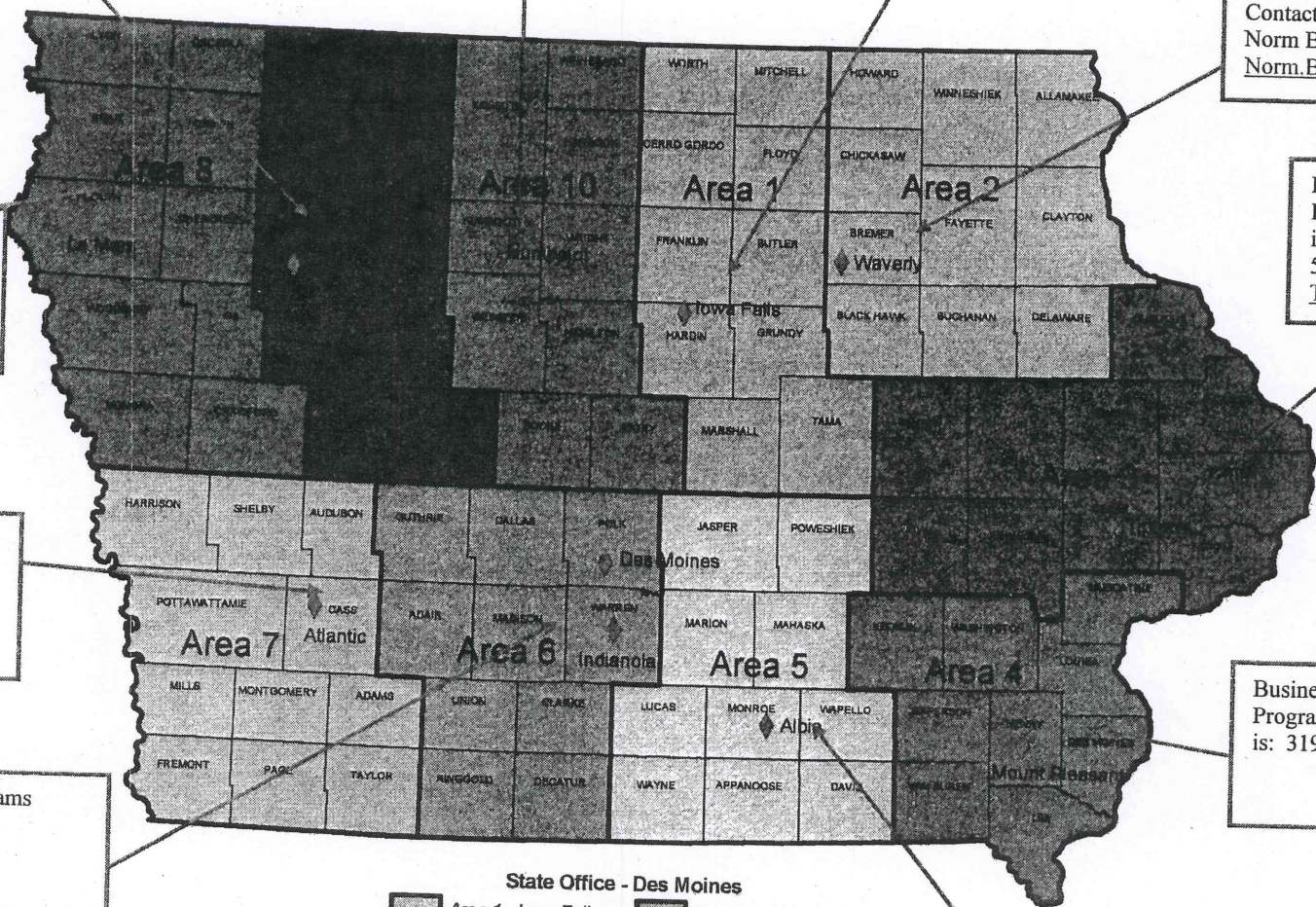
Business & Cooperative Programs Contact for Area 8 is:  
Robin Templeton,  
712-546-5149, x. 4  
[Robin.Templeton@ia.usda.gov](mailto:Robin.Templeton@ia.usda.gov)

Business & Cooperative Programs Contact for Area 7 is:  
Deb Reed,  
712-243-2107,  
[Deb.Reed@ia.usda.gov](mailto:Deb.Reed@ia.usda.gov)

Business & Cooperative Programs Contact for Area 6 is:  
Kate Sand 515-961-5365  
[kate.sand@ia.usda.gov](mailto:kate.sand@ia.usda.gov)

Business & Cooperative Programs Contact for Area 4 is: 319-986-5800,

Business & Cooperative Programs Contact for Area 5 is:  
Jeff Kuntz 641-932-3031  
[Jeff.Kuntz@ia.usda.gov](mailto:Jeff.Kuntz@ia.usda.gov)



### State Office - Des Moines

- |                     |                   |
|---------------------|-------------------|
| Area 1 Iowa Falls   | Area 6 Indianola  |
| Area 2 Waverly      | Area 7 Atlantic   |
| Area 3 Tipton       | Area 8 Le Mars    |
| Area 4 Mt. Pleasant | Area 9 Storm Lake |
| Area 5 Albia        | Area 10 Humboldt  |





Project Name \_\_\_\_\_

2009 Value-Added Producer Grant Program  
A Working Capital Application

Submitted by:

Applicant Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone number: \_\_\_\_\_

E-mail: \_\_\_\_\_

Grant Writer Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone number: \_\_\_\_\_

E-mail: \_\_\_\_\_

Date Submitted: \_\_\_\_\_



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***\*These items are not required if the application is less than \$50,000. If not being submitted, please indicate N/A instead of a page number. (If selected for an award, the applicant will be required to submit these items as part of the conditions of the award.)***

Green items are instructions & should be deleted before submittal to the Agency.

Gray items to indicate where the applicant should provide information

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



## EXECUTIVE SUMMARY

**\*The executive summary is limited to one page.**

Executive summary **must** include the following items:

- **Application Type:** Working Capital Grant
- **Grant Amount:** \$Dollar amount being requested
- **Funding Pool:** Specify whether this application is intended to compete in one of the Reserve Fund pools or in the General Fund pool. This application can only compete for one pool of funds. Details about eligibility for Reserve Funds can be found in the "Reserve Funds Eligibility" section found immediately after the "Product Eligibility" section within this template.
  - Beginning Farmers or Ranchers and Socially Disadvantaged Farmers or Ranchers
  - Mid Tier Value Chain Projects
  - General Funds
- **Brief Description of the Project:** Briefly describe the project applying to receive funding.
- **Goals of the Project:** List and briefly describe the goals of the project.
- **Tasks to be Completed:** List and briefly describe the tasks to be completed for the project.
- **Other Relevant Information:** Discuss any other relevant information that provides a general overview of the project.

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## ELIGIBILITY DISCUSSION

\*The eligibility discussion section is limited to six pages.

### I. Applicant Eligibility

The applicant is applying as (check one):

- |  |   |
|--|---|
| <input type="checkbox"/> Independent Producer<br><input type="checkbox"/> Majority-Controlled, Producer-Based Business Venture | <input type="checkbox"/> Agricultural Producer Group<br><input type="checkbox"/> Farmer/Rancher Based Cooperative |
|--|---|

- Applicant Description: Describe the applicant in a brief statement (eg - individual farm or membership organization, etc)
- Applicant Legal Structure: eg - sole proprietorship, LLC, LLP, coeprative, non-profit organziation, or other described in detail.
- Owners or members who will be contributing the insert agricultural commodity being used, to which value will be added, to the Project are:

*Owner Name	% ownership interest in the Applicant organization

\*If the applicant organization is owned by entities other than individuals, it must identify those entities and provide a list of the individuals who own each entity. If the list is longer than a few lines, it should be attached as an appendix to the application and will not be counted toward the page limit of this section.

- Applicant Name certifies that these owners or members are actively and currently engaged in the production of the insert description/name of the Agricultural Commodity used for the Value-Added product.
- Applicant organization governance/management: Describe how the applicant organization is governed or managed, including a description of who & how many owners/members have voting rights, if applicable.
- There are # of individuals on the governing board.
- There are # of individuals on the governing board who have voting rights and are currently engaged in the production of the insert name/type of Ag Commodity to which value will be added and will be providing that commodity to the Project.
- <Choose one of the following statements:
  - i. Applicant's name mission statement, as stated in our must reference where the mission statement is from, ie articles of incorporation, bylaws, or other governing documents is "\_\_\_\_\_". Or

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- ii. Applicant's name is not a membership organization, and as such has no mission statement.
- The amount of the Agricultural Commodity needed for the Project: \_\_\_\_\_
- The amount of the Agricultural Commodity that will be provided by the owners or members of the applicant organization: Demonstrate that the owners currently own and produce more than 50 percent of the raw commodity that will be used for the Value-Added product.
- The amount of the Agricultural Commodity that will be purchased or donated from third-party sources: \_\_\_\_\_
- Describe how the owners or members providing the Agricultural Commodity to the Project will maintain ownership of the commodity from its raw state through marketing of the final Value-Added Product
- \*Note, applicant ownership of the commodity from its raw state through final value-added product is not necessarily required IF the applicant is apply for Mid-Tier Value Chain Reserve funds AND the applicant can demonstrate an increase in customer base and an increase in revenue returns to the applicant producers supplying the majority of the raw agricultural commodity for the project.

*Next, complete the following appropriate section for your specific applicant type, and remove the other applicant type sections. Applicants must apply as only one applicant type.*

**1. IF applying as an Independent Producer**

- As an **Independent Producer**, Applicant Name is 100 percent owned by Independent Producers.
- Discussion of how 100 percent of the owners of the applicant organization meet the definition of an Independent Producer

[NOTE: Producers who produce the ag commodity under contract for another entity but do not own the product produced are not Independent Producers]

Insert the following statement if the applicant is a steering committee:

“The steering committee is 100 percent composed of Independent Producers and the business to be formed will meet the definition of Independent Producer. The steering committee will form a legal entity before the Grant Agreement is approved by the Agency.”

**2. IF applying as an Agriculture Producer Group**

- As an **Agricultural Producer Group**, the Independent Producers on whose behalf the proposed Project will be completed currently own and produce \_\_\_\_\_ % (must be more than 50%) of the insert Agricultural Commodity used for the value added product that will be used for the insert description of the Value Added product
- Discuss how the organization works on behalf of independent producers
- Identify the Independent Producers on whose behalf the work will be done, (note: Ag Producer

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Groups *may not* apply on behalf of its entire membership.)

- Demonstrate that the majority of the organization's membership meet the definition of Independent Producer
- Demonstrate that the majority of the organization's board of directors meet the definition of Independent Producer

3. **IF applying as a Farmer or Rancher Cooperative**

- As a **Farmer/Rancher Owned Cooperative**, Name of cooperative is in good standing and incorporated as a cooperative in insert state of incorporation. The cooperative is 100 percent owned and controlled by farmers or ranchers.
- Explain how the cooperative is 100 percent owned and controlled by farmers and ranchers
- Explain how the benefits derived from the business are distributed equitably on the basis of use by each of farmer or rancher owners
- If applying on behalf of only a portion of its membership, that portion must be identified & the applicant must explain how all members in this portion of its membership meet the definition of independent producers

4. **If applying as a Majority-Controlled Producer-Based Business Venture**

- As a **Majority Controlled Producer Based Business Venture**, Insert % (must be greater than 50%) of Applicant Name ownership and control is held by Independent Producers or partnerships, LLCs, LLPs, corporations, or cooperatives that are themselves 100 percent owned and controlled by Independent Producers.
- Demonstrate that the majority of the number of owners of the applicant organization meets the definition of an Independent Producer
- Demonstrate that the majority of the financial interest in the applicant organization is owned by Independent Producers
- Demonstrate that the majority of voting members on the governing board meets the definition of Independent Producer

## II. Product Eligibility

The project proposed must involve a Value-Added product as defined in Section I of the 2009 NOSA. There are five methods through which value-added can be demonstrated. Regardless of which method is used an expansion of customer base AND an increase in revenue to the agricultural producers must also be demonstrated.

Applicants must provide the following information so that the Agency can determine the eligibility of the Value-Added Agricultural Product to be marketed.

*Check one:*

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Gray items to indicate where the applicant should provide information

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- Change in Physical State
- Physical Segregation
- Locally Produced Agricultural Food Product
- Non-standard Production Method that Enhances the Commodity's Value
- On-Farm or On-Ranch Generation of Renewable Energy

- Agricultural Commodity to which value will be added: \_\_\_\_\_
- Method or process through which value will be added: Describe the method or process through which value will be added, and how that method or process enhances its value. This must include at least one of the following: a change in physical state, a non-standard production method that enhances the commodity's value, physical segregation, on-farm or on-ranch generation of renewable energy, and/or a locally-produced agricultural food product

• The Value-Added Agricultural Product that will be produced: \_\_\_\_\_

- Discuss the dollar amount of value added, per production unit, to the Agricultural Commodity that is attributed to the value-added process

For this item, Working Capital applicants must use the amount from their Feasibility Study and Business Plan results

- Describe the expansion of customer base for the Value-Added Agricultural Product

For this item, Working Capital applicants must supply the relevant information from the Feasibility Study and Business Plan that was completed for the Venture.

If no expansion of customer base exists or is likely to exist, the application is not eligible for funding.

- Describe the amount of the increased portion of revenue derived from marketing the Value-Added Agricultural Product that will be available to the producers of the Agricultural Commodity to which value is added.

For this item, Working Capital applicants must supply the relevant information from the Feasibility Study and Business Plan that was completed for the Venture.

If no increase in revenue exists or is likely to exist, the application is not eligible for funding.

*Next, complete the following appropriate section for your product eligibility type, and remove the other product eligibility sections.*

**1. If applying as a change in physical state**

- As a result of the above described process, a change in physical state, the insert Agricultural Commodity to which value will be added can not be returned to its original state.

**2. If applying as – Non-standard Production**

Green items are instructions & should be deleted before submittal to the Agency.  
 Gray items to indicate where the applicant should provide information  
 Please remove the instructions, inapplicable sections, and any highlighting from the final application.



- The above described production in a manner that enhances the value of the **insert Agricultural Commodity** is further described as follows:

- Explain how the nonstandard production method adds value per unit of production over a standard production method.
- Provide a quantitative comparison between the differentiated product and the standard product using information from the feasibility study and business plan developed for the venture

- The enhanced value must be demonstrated using information from the Feasibility Study and the Business Plan developed for this venture.

### 3. If applying as Physical Segregation

- The above described physical segregation that enhances the value of the **insert Agricultural Commodity** is further described as follows:

- Discuss the physical barrier (ie distance or structure) & how it separates the commodity from other varieties of the same commodity on the same farm during production
- Discuss how the separation continues through the (1) harvesting, (2) processing, and (3) marketing of the product or commodity.

### 4. If applying as Farm- or Ranch-based renewable energy

- Describe technology used to convert agricultural commodities or products are used to generate energy on a farm or ranch; or
- Describe on-farm generation of energy through wind, solar, geothermal and hydroelectric AND how the energy is used in the production of a value-added product. Note this type of energy production is eligible ONLY when they are used in the production of a value-added product. Wind, solar, geothermal and hydroelectric are not eligible if they are simply converted to electricity and sold off the farm; or
- Describe generated on a farm or ranch owned or leased by the owners of the Venture. Fuels that are not generated on a farm or ranch owned or leased by the owners of the Venture are not eligible under this category, but may be considered under the first category.

[NOTE 1: For renewable energy produced on-farm from an agricultural commodity or product, documentation for expansion of customer base may include a practice known as net metering, or reserving all or a portion of the energy generated for on-farm use; and documentation for calculating increased revenue returns to the producer-owner(s) may include the savings that results from use of the on-farm generated renewable energy and/or from the sale of excess renewable energy and its associated attributes such as RECs/GHG Emission Reductions/Offsets.)

[NOTE 2: For non-agricultural commodity based renewable energy sources on-farm: Please check an appropriate box below when the value-added product meets one of the other Product Eligibility categories, but includes the use of solar, wind, geothermal or hydro in the production of

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the value-added product

5. If applying as - aggregated and marketed as a locally-produced agricultural food product.

- The above described aggregated and marketed as a locally-produced agricultural food product is further described as follows:
  - Describe the final value-added agricultural food commodity or product
- Demonstrate that the agricultural food product is raised, produced, and distributed in:
  - (1) the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or
  - (2) the State in which the product is produced
- Demonstrate and quantify how local sales and marketing of the product will result in added value to the product (see Note below)

[Note: Applications must document and quantify how local sales and marketing results in added value to the product. For example, specific local grapes with characteristics attributable to the growing area will be sold to a processor that will produce a select/vintage local wine; or local corn advertised and sold at a premium as a fresher locally-produced alternative to non-local produce

### III. Purpose Eligibility

Applicants must provide the following information so that the Agency can determine the eligibility of the proposed use of funds. In addition to reviewing the responses to these questions, the Agency will also evaluate the budget and work plan submitted in response to the Proposal Evaluation Criteria to determine the eligibility of the use of funds.

Applicants may not request funds for both types of activities (planning and working capital) in one application. Planning expenses are not considered eligible for Working Capital Grants, and should not be included in the Purpose Eligibility section or Work Plan/Budget. Applications requesting more than the maximum grant amount will be considered ineligible.

It is the Agency's position that applicants other than Independent Producers applying for a Working Capital Grant must demonstrate that the Venture has not been in operation more than two years at the time of application in order to show that the applicant is entering an Emerging Market.

- Grant funds are being requested for Working Capital purposes.
- An independent, third-party Feasibility Study has been conducted for the proposed Venture. The Feasibility Study was completed by . The date of the feasibility study is .  
The Feasibility Study should not be submitted with the application, but the Agency may request it at any time in order to facilitate its eligibility review.
- A Business Plan has also been developed for the proposed Venture. The Business Plan was developed by . The date of the Business Plan is . The Business Plan should not be submitted with the application, but the Agency may request it at any time in order to facilitate its

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eligibility review.

- Discussion on how the applicant is marketing the Value-Added Agricultural Product(s) that is (are) the subject of the grant application at the time of application
- Describe how long the applicant organization has been engaged in the Venture that is the subject of the application
- < Applicants other than Independent Producers > Demonstrate that the Venture has not been in operation more than two years at the time of application in order to show that the applicant is entering an Emerging Market
- Discuss the applicant's proposed working capital uses (ie - design or purchase of an accounting system, paying for salaries, conducting a marketing campaign)

#### IV. Reserve Fund Eligibility (this section does not count toward the page limitation)

Delete this section if not applying for any Reserve Funds

#### **FOR BEGINNING FARMER OR RANCHER or SOCIALLY DISADVANTAGED FARMER OR RANCHER**

- <Delete if N/A> If applying for Beginning Farmer or Rancher or Socially Disadvantaged Farmer or Rancher reserved funds, provide documentation demonstrating that the applicant organization meets the definition of a Beginning Farmer or Rancher or a Socially Disadvantaged Farmer or Rancher. Please provide documentation demonstrating the applicant meets one of the two following definitions:

##### 1. Beginning Farmer or Rancher

- a. All owners have operated a farm/ranch for not more than 10 years.
- b. All owners materially and substantially participate in the operation of a farm or ranch
- c. All owners provide substantial day-to-day labor and management of a farm or a ranch; and
- d. Owners are currently producing agricultural commodity to which value will be added

To compete as a Beginning Farmer or Rancher, applicants must provide the following additional documentation. These additional pages will not count towards the proposal's page limitation constraints.

1. Description from the individual owner(s) of the applicant organization specifically addressing each qualifying element in the working definition above for a Beginning Farmer or Rancher. Each applicant/owner should describe the length of their individual farm or ranch operations experience, their material and substantial participation in the operation of a farm or a ranch, and their day-to-day labor and management activities on a farm or a ranch. This past experience and activity may or may not be directly associated with the specific VAPG applicant farm or ranch that is

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the subject of the VAPG application. If the applicant has more than 10 years of farm or ranch operations experience, they will not be eligible to apply as a Beginning Farmer or Rancher. For VAPG, a Beginning Farmer or Rancher applicant must currently own and produce more than 50% of the raw agricultural commodity to which value will be added.

- ii. One IRS Form 1040 (individual) or 1065 (partnership/LLC) from the previous 10 years that shows the individual owner(s) of the applicant organization did not file a Schedule F (individual) or a K1 (partnership/LLC) for farm income would be sufficient. Applicants should redact any personally identifiable information, such as a social security number. Or, in lieu of an applicable IRS Form, a letter from a certified public accountant or attorney certifying the participant meets the eligibility requirements would also suffice.

**OR**

## **2. Socially Disadvantaged Farmer or Rancher**

- a. A farmer or rancher who is a member of a "socially disadvantaged group," meaning a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. In the event there are multiple farmer or rancher owners, at least 51 percent of the owners must be members of a socially disadvantaged group.
- b. For this definition, the term farmer or rancher is a person directly engaged in farming or ranching or an entity solely owned by individuals directly engaged in farming.

**To compete as a Socially Disadvantaged Farmer or Rancher, applicants must provide the following additional documentation. These additional pages will not count towards the proposal's page limitation constraints.**

- i. A description of the applicant's farm or ranch ownership structure and demographic profile which indicates their identity as members of a socially disadvantaged group that has been subjected to racial, ethnic, or gender prejudice, including identifying the total number of owners of the applicant organization, as well as the number of owners that identify themselves as a Socially Disadvantaged Farmer or Rancher (minimum 50% ownership by socially disadvantaged farmers or ranchers required).
- ii. A self-certification statement from the individual owner(s) of the applicant organization evidencing their membership in a socially disadvantaged group that has been subjected to racial, ethnic, or gender prejudice because of their identity as members of said group without regard to their individual qualities. As applicable, individual owner(s) of the applicant organization should copy and complete the self-certification form below.

### **SOCIALLY DISADVANTAGED FARMER OR RANCHER CERTIFICATION**

I certify that I am a farmer or rancher AND that I am a member of a socially disadvantaged group (i.e., a group whose members have been subjected to racial, ethnic, or gender prejudice). If awarded a grant, the Agency may request that I

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identify the socially disadvantaged group with which I identify to confirm the socially disadvantaged status of that group.

Name

Date

### FOR MID TIER VALUE CHAIN PROJECTS ONLY

- **<Delete if N/A>** If applying for Mid Tier Value Chain Project reserve funds, applicants must
  - 1) Demonstrate the project proposes development of a *Local or Regional Supply Network* of interconnected food-related business enterprises through which food products move from production through consumption in a local or regional area of the U.S., including a description of the network, its components members and its purpose.
  - 2) Describe at least two alliances linkages or partnerships within the value chain that link independent producers with business and cooperatives that market Value-Added Agricultural Products in a manner that benefits small or medium-sized farms that are structured as a family farm, including the names of the parties and the nature of their collaboration.
  - 3) Demonstrate how the project, due to the manner in which the VA product is marketed, will increase the profitability and competitiveness of *at least two eligible small or medium sized farms or ranches that are structured as a family farm*.
  - 4) Document that the *eligible Agriculture Producer Group (APG) / Farmer or Rancher Cooperative (COOP) / Majority-Controlled, Producer-Based Business Venture (MCPBBV) applicant organization* has obtained at least one agreement with another member of the supply network that is engaged in the value chain on a marketing strategy, or the *eligible Independent Producer applicant* has at obtained at least one agreement from an eligible APG / COOP / or MCPBBV engage in the value-chain on a marketing strategy.
  - 5) Demonstrate the *applicant* currently owns and produces more than 50% of the raw agricultural commodity that will be used for the value-added product that is the subject of the proposal and
  - 6) Demonstrate that the project will result in an increase in customer base and an increase in revenue returns to the *applicant producers* supplying the majority of the raw agricultural commodity.

[Note 1. Examples of food-related business enterprises are Agricultural Producers, processors, distributors, wholesalers, retailers, consumers, and entities that organize or provide technical assistance for development of such networks.]

[Note 2. The application should include sufficient documentation to confirm that the benefitting Small-Medium Family Farms or Ranches meet these definitions in the NOFA.]

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## PROPOSAL NARRATIVE

\*The proposal narrative is limited to 15 pages. Note that any support letters or project leader resumes included in the appendix will count toward the 15 page limit.

**I. Goals of the Project** [NOTE: If applicant is requesting less than \$50K grant, Goals of the Project are not required at application, but if selected for award will be required as part of the conditions of the award.]

Ultimate Goals of the Project: Include/discuss a CLEAR statement of the ultimate goals of the project.

Explanation of How a Market Will Be Expanded: Discuss how the market will be expanded because of the project.

Degree to Which Incremental Revenue Will Accrue to the Benefit of the Agricultural Producers: Discuss degree and extent revenue will increase to the benefit of the agricultural producers.

**II. Performance Evaluation Criteria** [NOTE: If applicant is requesting less than \$50K grant, Performance Evaluation Criteria is not required at application, but if selected for award will be required as part of the conditions of the award.]

Projected Increase in Customer Base:

Projected Increase in Revenue Accruing to Producers:

Jobs Attributed to the Project:

Projected Increase in Energy Capacity: Projects with significant energy components must also identify the projected increase in capacity (e.g. gallons of ethanol produced annually, megawatt hours produced annually) attributed to the Project.

### III. Proposal Evaluation Criteria

Each of the proposal evaluation criteria referenced in Section V.A. of the NOSA must be addressed, specifically and individually, in narrative form. Applications that do not address the appropriate criteria will be considered ineligible.

**i. Business viability (0–8 points)** - Proposals will be evaluated on the basis of the technical and economic feasibility and sustainability of the Venture and the efficiency of operations. When responding to this criterion, applicants should reference critical data and information identified in the venture specific feasibility study and business plan.

Technological Feasibility:

Economic Feasibility:

Sustainability:

Efficiency of Operations:

**ii. Customer base/increased returns (0–8 points)** -

Expansion of customer base: Describe in detail how the customer base for the product being produced

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will expand because of the Value-Added Venture. Provide documented estimates of this expansion. **Increased return to producers-owners:** Describe in detail how a greater portion of the revenue derived from the venture will be returned to the producers that are owners of the Venture. Applicants should also reference the pro forma financial statements developed for the Venture.

Pro forma financial statements must include cash flow statements, income statements, and balance sheets. Income statements and cash flow statements must be monthly for the first year, then annual for future years. The balance sheet should be annual for all years.

Applications that demonstrate strong growth in a market or customer base and greater Value-Added revenue accruing to producer-owners will receive more points than those that demonstrate less growth in markets and realized Value-Added returns.

**iii. Commitments and support (0–5 points) -**

**Producer Commitments:** Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature, level and quality of their contributions.

**End-user Commitments:** End-user commitments will be evaluated on the basis of identified markets, letters of intent or contracts from potential buyers and the amount of output to be purchased.

**Third Party Support & Endorsement:** Applications will be reviewed for evidence that the Project enjoys third-party support and endorsement, with emphasis placed on financial and in-kind support as well as technical assistance.

Support should be discussed directly within the response to this criterion. If support letters are included, those pages will count toward the page limit for the narrative. Points will be awarded based on the greatest level of documented and referenced commitment.

**iv. Management team/work force (0–8 points) -** The education and capabilities of project managers and those who will operate the Venture must reflect the skills and experience necessary to affect Project success. The availability and quality of the labor force needed to operate the Venture will also be evaluated. Applicants must provide the information necessary to make these determinations. Applications that reflect successful track records managing similar projects will receive higher points for this criterion than those that do not reflect successful track records.

**v. Work plan/budget (0–8 points) -** The work plan will be reviewed to determine whether it provides specific and detailed descriptions of tasks that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated with the proposed activities and allocation of these costs among the listed tasks. The source and use of grant and matching funds must be specified. Points may not be awarded unless sufficient detail is provided to determine if funds are being used for qualified purposes. Matching Funds as well as grant funds must be accounted for in the budget to receive points.

If the project period will be longer than one year, the work plan and budget must identify a separate, unique task(s) for the first year and for any subsequent year of the proposed project. Any applications proposing a project of longer than one year with duplicative or similar activities in each year is ineligible for funding.

Example Budget Format to be completed by Applicant

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Task	Start Date	End Date	Budget			
			Federal	Cash	In-Kind	Total
Task 1						
Responsible Staff:						
Task 2						
Responsible Staff:						
Task 3						
Responsible Staff:						
Task 4						
Responsible Staff:						
<b>Total Cost of Project</b>						

**NOTE:** Additional rows can be added by placing your cursor just outside the table to the right side and pressing Enter.

**Double Check Your Project Timeline to Ensure it Meets the 3 Requirements**

- Start Dates are on or after 03/1/2010.
- End Dates can not be later than 2/28/2013.
- If the project period is longer than 1 year, you must identify a separate, unique task(s) for the 1<sup>st</sup> year and for any subsequent year(s) of the proposed project. Any applications proposing a project of longer than 1 year with duplicative or similar activities in each year is ineligible for funding.

**vi. Amount requested (0 or 5 points) – State the grant amount being requested**

Five points will be awarded for grant requests of \$150,000 or less. To determine the number of points to award, the Agency will use the amount indicated in the work plan and budget.

**vii. Project cost per owner-producer (0–3 points) - The applicant must state the number of Independent Producers that are owners of the Venture**

An owner cannot be considered an Independent Producer unless he/she is a producer of the Agricultural Commodity to which value will be added as part of this Project. For Agriculture Producer Groups, the number used must be the number of Independent Producers represented who produce the commodity to which value will be added. In cases where family members (including husband and wife) are owners and producers in a Venture, each family member shall count as one owner-producer. Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

**viii. Business management capabilities (0–10 points) - Applicants should discuss their financial management system, procurement procedures, personnel policies, property management system, and travel procedures. Up to two points can be awarded for each component of this criterion, based on the appropriateness of the system, procedures or policies to the size and structure of business applying. Larger, more complex businesses will be expected to have more complex systems, procedures, and policies than smaller, less complex businesses.**

Financial management system:

Green items are instructions & should be deleted before submittal to the Agency.

Gray items to indicate where the applicant should provide information

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



Procurement procedures:

Personnel policies:

Property management system:

Travel procedures:

**ix. Sustainability and economic impact (0–15 points)** - Projects will be evaluated based on the expected sustainability of the Venture and the expected economic impact on the local economy.

Expected Sustainability:

Expected Economic Impact on the Local Economy:

**x. Type of applicant (0 or 8 points)** - If an application is from an applicant that is a Beginning Farmer or Rancher, a Socially Disadvantaged Farmer or Rancher, or an operator of a Small or Medium-Sized Farm or Ranch that is structured as a Family Farm, 8 points will be awarded. Applicants must provide documentation that they meet one of these definitions to receive points.

**xi. Administrator points (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 10 criteria)** - Applicants may submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

The Administrator of USDA Rural Development Business and Cooperative Programs may award additional points to recognize innovative technologies, insure geographic distribution of grants, or encourage Value-Added projects in under-served areas.

Green items are instructions & should be deleted before submittal to the Agency.

Gray items to indicate where the applicant should provide information

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



## CERTIFICATION OF MATCHING FUNDS

Insert Applicant Name certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement.

Green items are instructions & should be deleted before submittal to the Agency.

Gray items to indicate where the applicant should provide information

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



**APPENDIX A**

**LETTERS OF COMMITMENT AND SUPPORT**

\*Note that any support letters or project leader resumes included in the appendix will count toward the 15 page limit of the Proposal Narrative section.



**APPENDIX B  
VERIFICATION OF MATCHING FUNDS**

	<u>Source of Funds</u>	<u>Type of Match</u> (Applicant cash; loan or line of credit; applicant in-kind; third party cash; third party in-kind,)	<u>Contact Name</u> <u>Phone, Fax</u> <u>Address</u>	<u>Dollars</u>	<u>Verification Form/Letter Included in Appendix B?</u>
1				\$	
2				\$	
3				\$	
4				\$	
5				\$	
6				\$	
7				\$	
				\$	

Green items are instructions & should be deleted before submittal to the Agency.

Gray items to indicate where the applicant should provide information

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



**Verification of Applicant CASH Matching Funds**

When preparing documentation for verification of matching funds, applicants must follow RD Instructions 4284.910 (c)(6) and 4284.3, along with instructions provided in sections III (B) and IV (B)(10) of the Notice of Solicitation for Applications (NOSA). The use of this form is optional, but recommended. The applicant may complete and print the form on the organization's letterhead, and sign where indicated.

For purposes of carrying out the Work Plan and Budget Activities identified in this FY2009 Value-Added Producer Grant application, and as an Owner or Authorized Representative of the organization, I verify the following:

**Legal Name of Applicant:** \_\_\_\_\_

**Title of Applicant's VAPG Project:** \_\_\_\_\_

**Beginning and End Dates for Proposed Grant Period:** \_\_\_\_\_

(Maximum Budget and Project Period Length is up to 36 months, with start date range 03/1/2010 – 9/30/2010, and end date not later than 02/28/2013. The dates on this form must be consistent with the VAPG application.)

**Total Project Cost:** \$ \_\_\_\_\_ **VAPG Grant Request:** \$ \_\_\_\_\_

**Total Applicant Cash Match:** \_\_\_\_\_

As applicable, identify all source(s), amounts, and uses of **Applicant Cash Matching Funds** that your organization currently has available and committed to eligible VAPG project expenditures during the grant period. Include a copy of a bank statement dated within 30 days of the application submission showing an ending balance equal to or greater than the amount of Cash Matching Funds proposed.

Applicant Organization Source of Cash Funds	Name of Holding Institution	Cash Match Amount	Indicate Use of Funds for Project Budget Activities
Checking Account		\$	
Savings Account		\$	
Certificate of Deposit		\$	
Money Market		\$	
Mutual Funds		\$	
Other			
<b>Total Cash</b>		\$	

\_\_\_\_\_ Yes, a copy of a bank statement(s) confirming available funds and dated within 30 days of the application submission is attached.

**Has your organization formally approved the Cash Match Amounts and Purpose at Time of Application?**

\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Date of Approval \_\_\_\_\_ N/A

**Print Name of Applicant / Authorized Representative:** \_\_\_\_\_

**Title of Applicant / Authorized Representative:** \_\_\_\_\_

**Signature of Applicant or Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Green items are instructions & should be deleted before submittal to the Agency.

Gray items are fillable portions of the application.

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



**Verification of Applicant *Approved* Loan or Line of Credit for Matching Funds**

When preparing documentation for verification of matching funds, applicants must follow RD Instructions 4284.910 (c)(6) and 4284.3, along with instructions provided in sections III (B) and IV (B)(10) of the Notice of Solicitation for Applications (NOSA). The use of this form is optional, but recommended. Ask your lending institution to provide the information below at time of application to verify your *approved* Loan or Line of Credit that will be used as matching funds for your VAPG project during the grant period. As an option, your lender may complete and print the form below on the lending institution's letterhead, and sign where indicated.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2009 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the lending institution identified below, I verify and confirm the following information:

**Legal Name and Address of Lender Providing Loan or Line of Credit for VAPG Matching Funds:**

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

**Legal Name and Address of Intended Recipient / Borrower of Loan or Line of Credit for VAPG Matching Funds (must be the same legal name as identified on the VAPG application):**

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

**Total Amount of Loan or Line of Credit to be Used for Eligible VAPG Project Purposes: \$** \_\_\_\_\_

**Brief Description of Borrower's Use of Loan/LOC Funds:** \_\_\_\_\_

\_\_\_\_\_

**Beginning and End Dates for Proposed VAPG Grant Period:** \_\_\_\_\_

(Maximum Budget and Project Period Length is up to 36 months, with start date range 03/1/2010 – 9/30/2010, and end date not later than 02/28/2013. The dates on this form must be consistent with the VAPG application.)

**Will the Loan or Line of Credit be provided to the Borrower during the proposed grant period, or on a specific date within the grant period?** \_\_\_\_\_ Yes \_\_\_\_\_ No

**Date(s) of Transfer or Availability of the Funds to Borrower (month/day/year):** \_\_\_\_\_

\_\_\_\_\_

**Has your Lending Committee Approved the Loan or Line of Credit amount and purpose?**

\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Date of Loan/LOC Approval \_\_\_\_\_ N/A

**Print Name of Authorized Representative:** \_\_\_\_\_

**Title of Authorized Representative:** \_\_\_\_\_

**Signature of Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Green items are instructions & should be deleted before submittal to the Agency.

Gray items are fillable portions of the application.

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



**Verification of Applicant IN-KIND Contribution**

When preparing documentation for verification of matching funds, applicants must follow RD Instructions 4284.910 (c)(6) and 4284.3, along with instructions provided in sections III (B) and IV (B)(10) of the Notice of Solicitation for Applications (NOSA). The use of this form is optional, but recommended. An applicant organization may complete and print the form on their organization's letterhead, and sign where indicated.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2009 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the Applicant identified below, I verify and confirm the following information:

**Legal Name and Address of Applicant Providing In-Kind Contribution:** \_\_\_\_\_

**Brief Description of Applicant's VAPG Project:** \_\_\_\_\_

**Beginning and End Dates for Proposed VAPG Grant Period:** \_\_\_\_\_  
 (Maximum Budget and Project Period Length is up to 36 months, with start date range 03/1/2010 – 9/30/2010, and end date not later than 02/28/2013. The dates on this form must be consistent with the VAPG application.)

**Total Value of Applicant In-Kind Donation for VAPG Eligible Project Purposes:** \_\_\_\_\_

- Verification for in-kind contributions that are over-valued will not be accepted. The *valuation process* for in-kind contributions does *not* need to be included in the application. However, the Intended Recipient must be able to demonstrate how the valuation was derived *at the time of notification of tentative selection for the grant award.* See RD Instruction 4284-A/Exhibit A for Guidelines for Verifying In-Kind Contributions.
- If the applicant organization is purchasing goods or services for the grant (e.g. salaries, inventory), the contribution is considered a cash contribution and must be verified as required in the NOSA.
- If an owner or employee of the applicant organization is donating goods or services, the contribution is considered a third-party in-kind contribution and must be verified as required in the NOSA.

In the chart below for Applicant In-Kind Contributions, describe the (a) *nature* of the goods and/or services to be donated to the VAPG project during the grant period, (b) *when* the goods and/or services will be donated during the proposed grant period, and (c) the *value* of the goods and/or services. Please see NOSA Instructions in section IV(B)(10) for examples of in-kind contributions that are not eligible.

Description of the Goods and/or Services	When They Will Be Donated (month/day/year must be included)	Value of the Goods and/or Services
		\$
		\$
		\$
<b>Total Value</b>		\$

Will the applicant in-kind contribution be provided to the project during the proposed grant period, or be donated on a specific date within the grant period?  Yes  No

Has your organization formally approved the In-Kind Match contribution value and purpose at Time of Application?  Yes  No  Date of Approval \_\_\_\_\_ N/A

Print Name of Authorized Representative For Applicant In-Kind Contributor: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Green items are instructions & should be deleted before submittal to the Agency.

Gray items are fillable portions of the application.

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



**Verification of Third-Party IN-KIND Contribution**

When preparing documentation for verification of matching funds, applicants must follow RD Instructions 4284.910 (c)(6) and 4284.3, along with instructions provided in sections III (B) and IV (B)(10) of the Notice of Solicitation for Applications (NOSA). The use of this form is optional, but recommended. The Third-Party organization may complete and print the form on their organization's letterhead, and sign where indicated.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2009 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the third-party organization identified below, I verify and confirm the following information:

**Legal Name and Address of Third-Party Providing In-Kind Contribution:** \_\_\_\_\_

**Legal Name and Address of Intended Recipient of Third-Party In-Kind Contribution:** \_\_\_\_\_

**Brief Description of Intended Recipient's VAPG Project:** \_\_\_\_\_

**Beginning and End Dates for Proposed VAPG Grant Period:** \_\_\_\_\_

(Maximum Budget and Project Period Length is up to 36 months, with start date range 03/1/2010 – 9/30/2010, and end date not later than 02/28/2013. The dates on this form must be consistent with the VAPG application.)

**Total Value of Third-Party In-Kind Donation for VAPG Eligible Project Purposes:** \_\_\_\_\_

Verification for in-kind contributions that are over-valued will not be accepted. The *valuation process* for in-kind contributions does *not* need to be included in the application. However, the Intended Recipient must be able to demonstrate how the valuation was derived *at the time of notification of tentative selection for the grant award*. See RD Instruction 4284-A/Exhibit A for Guidelines for Verifying In-Kind Contributions.

In the chart below for **Third-Party In-Kind Contributions**, describe the (a) *nature* of the goods and/or services to be donated to the VAPG project during the grant period, (b) *when* the goods and/or services will be donated during the proposed grant period, and (c) the *value* of the goods and/or services. Please see NOSA Instructions in section IV(B)(10) for examples of in-kind contributions that are not eligible. Organizations contributing the services of affiliated volunteers must follow the third-party verification requirements herein, for *each individual volunteer*.

Description of the Goods and/or Services	When They Will Be Donated (month/day/year must be included)	Value of the Goods and/or Services
		\$
		\$
		\$
<b>Total Value</b>		\$

Will the third-party in-kind contribution be provided to the Intended Recipient during the proposed grant period, or be donated on a specific date within the grant period? \_\_\_\_\_ Yes \_\_\_\_\_ No

Description of transfer of in-kind contribution to Intended Recipient, with Anticipated Date(s) of transfer: \_\_\_\_\_

Has your organization formally approved the In-Kind Match contribution value and purpose at Time of Application? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Date of Approval \_\_\_\_\_ N/A

Green items are instructions & should be deleted before submittal to the Agency.

Gray items are fillable portions of the application.

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



Does your organization understand that in-kind contributions from third-parties cannot be used to directly benefit the third-party contributor? \_\_\_\_\_ Yes \_\_\_\_\_ No

Print Name of Authorized Representative  
For Third-Party In-Kind Contributor: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Signature of  
Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_



**Verification of Third-Party CASH Matching Funds**

When preparing documentation for verification of matching funds, applicants must follow RD Instructions 4284.910 (c)(6) and 4284.3, along with instructions provided in sections III (B) and IV (B)(10) of the Notice of Solicitation for Applications (NOSA). The use of this form is optional, but recommended. The Third-Party organization may complete and print the form on their organization's letterhead, and sign where indicated.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2009 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the third-party organization identified below, I verify and confirm the following information:

Legal Name and Address of Third-Party providing CASH Matching Funds:

---

Legal Name and Address of Intended Recipient of Third-Party CASH Matching Funds:

---

Brief Description of Intended Recipient's VAPG Project: \_\_\_\_\_

---

Total Amount of Third-Party CASH Matching Funds to be Donated for Eligible VAPG Project Purposes:  
\$ \_\_\_\_\_

Beginning and End Dates for Proposed VAPG Grant Period: \_\_\_\_\_  
(Maximum Budget and Project Period Length is up to 36 months, with start date range 03/1/2010 – 02/28/2010, and end date not later than 02/28/2013. The dates on this form must be consistent with the VAPG application.)

Will the Third-Party CASH Matching Funds be provided/transferred to the Intended Recipient during the proposed grant period?  Yes  No \_\_\_\_\_ Dates of Transfer/Availability  
(month/day/year)

Name of Financial Institution currently holding Third-party cash matching funds to be transferred to Intended Recipient: \_\_\_\_\_

Does your organization understand that cash matching contributions from third-parties cannot be used to provide services which directly benefit the third-party contributor, and that contributors of cash matching funds may not limit how or where the funds are used?  Yes  No

Has your Board of Directors Approved the Third-Party CASH transfer amount and VAPG general purpose?  
 Yes  No \_\_\_\_\_ Date of Approval  N/A

Print Name of Authorized Representative  
For Third-Party Organization: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Green items are instructions & should be deleted before submittal to the Agency.

Gray items are fillable portions of the application.

Please remove the instructions, inapplicable sections, and any highlighting from the final application.



**INSTRUCTIONS FOR THE SF-424**

Public reporting burden for this collection of information is estimated to average 60 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 (including the continuation sheet) required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Some of the items are required and some are optional at the discretion of the applicant or the Federal agency (agency). Required items are identified with an asterisk on the form and are specified in the instructions below. In addition to the instructions provided below, applicants must consult agency instructions to determine specific requirements.

Item	Entry:	Item	Entry:
1.	<b>Type of Submission:</b> (Required): Select one type of submission in accordance with agency instructions. <ul style="list-style-type: none"> <li>• Preapplication</li> <li>• Application</li> <li>• Changed/Corrected Application – If requested by the agency, check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this to submit changes after the closing date.</li> </ul>	10.	<b>Name Of Federal Agency:</b> (Required) Enter the name of the Federal agency from which assistance is being requested with this application.
		11.	<b>Catalog Of Federal Domestic Assistance Number/Title:</b> Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable.
2.	<b>Type of Application:</b> (Required) Select one type of application in accordance with agency instructions. <ul style="list-style-type: none"> <li>• New – An application that is being submitted to an agency for the first time.</li> <li>• Continuation - An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals.</li> <li>• Revision - Any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected. If "Other" is selected, please specify in text box provided.                             <ul style="list-style-type: none"> <li>A. Increase Award      B. Decrease Award</li> <li>C. Increase Duration    D. Decrease Duration</li> <li>E. Other (specify)</li> </ul> </li> </ul>	12.	<b>Funding Opportunity Number/Title:</b> (Required) Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested, as found in the program announcement.
		13.	<b>Competition Identification Number/Title:</b> Enter the Competition Identification Number and title of the competition under which assistance is requested, if applicable.
		14.	<b>Areas Affected By Project:</b> List the areas or entities using the categories (e.g., cities, counties, states, etc.) specified in agency instructions. Use the continuation sheet to enter additional areas, if needed.
3.	<b>Date Received:</b> Leave this field blank. This date will be assigned by the Federal agency.	15.	<b>Descriptive Title of Applicant's Project:</b> (Required) Enter a brief descriptive title of the project. If appropriate, attach a map showing project location (e.g., construction or real property projects). For preapplications, attach a summary description of the project.
4.	<b>Applicant Identifier:</b> Enter the entity identifier assigned by the Federal agency, if any, or applicant's control number, if applicable.	16.	<b>Congressional Districts Of:</b> (Required) 16a. Enter the applicant's Congressional District, and 16b. Enter all District(s) affected by the program or project. Enter in the format: 2 characters State Abbreviation – 3 characters District Number, e.g., CA-005 for California 5 <sup>th</sup> district, CA-012 for California 12 <sup>th</sup> district, NC-103 for North Carolina's 103 <sup>rd</sup> district. <ul style="list-style-type: none"> <li>• If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland.</li> <li>• If nationwide, i.e. all districts within all states are affected, enter US-all.</li> <li>• If the program/project is outside the US, enter 00-000.</li> </ul>
5a.	<b>Federal Entity Identifier:</b> Enter the number assigned to your organization by the Federal Agency, if any.		
5b.	<b>Federal Award Identifier:</b> For new applications leave blank. For a continuation or revision to an existing award, enter the previously assigned Federal award identifier number. If a changed/corrected application, enter the Federal Identifier in accordance with agency instructions.		
6.	<b>Date Received by State:</b> Leave this field blank. This date will be assigned by the State, if applicable.	17.	<b>Proposed Project Start and End Dates:</b> (Required) Enter the proposed start date and end date of the project.
7.	<b>State Application Identifier:</b> Leave this field blank. This identifier will be assigned by the State, if applicable.		
8.	<b>Applicant Information:</b> Enter the following in accordance with agency instructions:	18.	<b>Estimated Funding:</b> (Required) Enter the 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.
	<b>a. Legal Name:</b> (Required): Enter the legal name of applicant that will undertake the assistance activity. This is the name that the organization has registered with the Central Contractor Registry. Information on registering with CCR may be obtained by visiting the Grants.gov website.		
	<b>b. Employer/Taxpayer Number (EIN/TIN):</b> (Required): Enter the Employer or Taxpayer Identification Number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.		
	<b>c. Organizational DUNS:</b> (Required) Enter the organization's DUNS or DUNS+4 number received from Dun and Bradstreet. Information on obtaining a DUNS number may be obtained by visiting the Grants.gov website.		
	<b>d. Address:</b> Enter the complete address as follows: Street address (Line 1 required), City (Required), County, State (Required, if country is US), Province, Country (Required), Zip/Postal Code (Required, if country is US).		
<b>e. Organizational Unit:</b> Enter the name of the primary organizational unit (and department or division, if applicable) that will undertake the	19.	<b>Is Application Subject to Review by State Under Executive Order 12372 Process?</b> Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the	



	<p>assistance activity, if applicable.</p> <p><b>f. Name and contact information of person to be contacted on matters involving this application:</b> Enter the name (First and last name required), organizational affiliation (if affiliated with an organization other than the applicant organization), telephone number (Required), fax number, and email address (Required) of the person to contact on matters related to this application.</p>	<p>State intergovernmental review process. Select the appropriate box. If "a." is selected, enter the date the application was submitted to the State</p>		
9.	<p><b>Type of Applicant: (Required)</b>  Select up to three applicant type(s) in accordance with agency instructions.</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <p>A. State Government</p> <p>B. County Government</p> <p>C. City or Township Government</p> <p>D. Special District Government</p> <p>E. Regional Organization</p> <p>F. U.S. Territory or Possession</p> <p>G. Independent School District</p> <p>H. Public/State Controlled Institution of Higher Education</p> <p>I. Indian/Native American Tribal Government (Federally Recognized)</p> <p>J. Indian/Native American Tribal Government (Other than Federally Recognized)</p> <p>K. Indian/Native American Tribally Designated Organization</p> <p>L. Public/Indian Housing Authority</p> </td> <td style="vertical-align: top; width: 50%;"> <p>M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>O. Private Institution of Higher Education</p> <p>P. Individual</p> <p>Q. For-Profit Organization (Other than Small Business)</p> <p>R. Small Business</p> <p>S. Hispanic-serving Institution</p> <p>T. Historically Black Colleges and Universities (HBCUs)</p> <p>U. Tribally Controlled Colleges and Universities (TCCUs)</p> <p>V. Alaska Native and Native Hawaiian Serving Institutions</p> <p>W. Non-domestic (non-US) Entity</p> <p>X. Other (specify)</p> </td> </tr> </table>	<p>A. State Government</p> <p>B. County Government</p> <p>C. City or Township Government</p> <p>D. Special District Government</p> <p>E. Regional Organization</p> <p>F. U.S. Territory or Possession</p> <p>G. Independent School District</p> <p>H. Public/State Controlled Institution of Higher Education</p> <p>I. Indian/Native American Tribal Government (Federally Recognized)</p> <p>J. Indian/Native American Tribal Government (Other than Federally Recognized)</p> <p>K. Indian/Native American Tribally Designated Organization</p> <p>L. Public/Indian Housing Authority</p>	<p>M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>O. Private Institution of Higher Education</p> <p>P. Individual</p> <p>Q. For-Profit Organization (Other than Small Business)</p> <p>R. Small Business</p> <p>S. Hispanic-serving Institution</p> <p>T. Historically Black Colleges and Universities (HBCUs)</p> <p>U. Tribally Controlled Colleges and Universities (TCCUs)</p> <p>V. Alaska Native and Native Hawaiian Serving Institutions</p> <p>W. Non-domestic (non-US) Entity</p> <p>X. Other (specify)</p>	<p>20. <b>Is the Applicant Delinquent on any Federal Debt?</b> (Required) Select the appropriate box. 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.</p> <p>if yes, include an explanation on the continuation sheet.</p> <p>21. <b>Authorized Representative: (Required)</b> To be signed and dated by the authorized representative of the applicant organization. Enter the name (First and last name required) title (Required), telephone number (Required), fax number, and email address (Required) of the person authorized to sign for the applicant.</p> <p>A copy of the governing body's authorization for you to sign this application as the 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.)</p>
<p>A. State Government</p> <p>B. County Government</p> <p>C. City or Township Government</p> <p>D. Special District Government</p> <p>E. Regional Organization</p> <p>F. U.S. Territory or Possession</p> <p>G. Independent School District</p> <p>H. Public/State Controlled Institution of Higher Education</p> <p>I. Indian/Native American Tribal Government (Federally Recognized)</p> <p>J. Indian/Native American Tribal Government (Other than Federally Recognized)</p> <p>K. Indian/Native American Tribally Designated Organization</p> <p>L. Public/Indian Housing Authority</p>	<p>M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>O. Private Institution of Higher Education</p> <p>P. Individual</p> <p>Q. For-Profit Organization (Other than Small Business)</p> <p>R. Small Business</p> <p>S. Hispanic-serving Institution</p> <p>T. Historically Black Colleges and Universities (HBCUs)</p> <p>U. Tribally Controlled Colleges and Universities (TCCUs)</p> <p>V. Alaska Native and Native Hawaiian Serving Institutions</p> <p>W. Non-domestic (non-US) Entity</p> <p>X. Other (specify)</p>			



**APPLICATION FOR FEDERAL ASSISTANCE**

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		<b>2. DATE SUBMITTED</b> May 16, 2007	Applicant Identifier
<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
<b>5. APPLICANT INFORMATION</b>		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b> 5-17-2007 <i>ryh</i>	Federal Identifier VAPG-2007-MO-09 <i>ryh</i>
<b>Legal Name:</b> Jane Does It, Inc.		<b>Organizational Unit:</b> Department:	
<b>Organizational DUNS:</b> 1234567		Division:	
<b>Address:</b> Street: 1234 Street St.		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b> Prefix: Mrs. First Name: J. Jane	
City: Columbia		Middle Name	
County: Boone		Last Name: DOE	
State: Missouri Zip Code: 65211		Suffix:	
Country: USA		Email: jane.doe@doe.com	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b>		Phone Number (give area code) (573)-882-1111	Fax Number (give area code) (573)-882-1111
<b>8. TYPE OF APPLICATION:</b> <input checked="" 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.)		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) <input type="checkbox"/> Profit Organization <input type="checkbox"/> Other (specify)	
Other (specify)		<b>9. NAME OF FEDERAL AGENCY:</b>	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): 10-352		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Value Added Opportunities for Quality Bred Heifers	
<b>12. AREAS AFFECTED BY PROJECT</b> (Cities, Counties, States, etc.): Counties within the state of Missouri.		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant 9th b. Project 9th	
<b>13. PROPOSED PROJECT</b> Start Date: September 1, 2007 Ending Date: October 31, 2008		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b> a. Yes <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
<b>15. ESTIMATED FUNDING:</b>		<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
a. Federal \$ 90,500.00 b. Applicant \$ 90,500.00 c. State \$ .00 d. Local \$ .00 e. Other \$ .00 f. Program Income \$ .00 g. TOTAL \$ .00		<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>	
<b>a. Authorized Representative</b>			
Prefix: Last Name: DOE		First Name: Jane Middle Name: Suffix:	
b. Title: Secretary/Treasurer		c. Telephone Number (give area code):	
d. Signature of Authorized Representative: <i>Jane Doe</i>		e. Date Signed: 5-16-07	



**BUDGET INFORMATION - Non-Construction Programs**

OMB Approval No. 0348-0044

<b>SECTION A - BUDGET SUMMARY</b>						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. VAPG	10.352	\$	\$	\$ 215,823.00	\$ 215,823.00	\$ 431,646.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$ 0.00	\$ 0.00	\$ 215,823.00	\$ 215,823.00	\$ 431,646.00
<b>SECTION B - BUDGET CATEGORIES</b>						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)
	(1) VAPG	(2) Match	(3)	(4)		
a. Personnel	\$ 138,244.00	\$ 138,244.00	\$	\$	\$ 276,488.00	
b. Fringe Benefits	42,579.00	42,579.00			85,158.00	
c. Travel	18,000.00	18,000.00			36,000.00	
d. Equipment					0.00	
e. Supplies	17,000.00	17,000.00			34,000.00	
f. Contractual					0.00	
g. Construction					0.00	
h. Other					0.00	
i. Total Direct Charges (sum of 6a-6h)	215,823.00	215,823.00	0.00	0.00	431,646.00	
j. Indirect Charges					0.00	
k. TOTALS (sum of 6i and 6j)	\$ 215,823.00	\$ 215,823.00	\$ 0.00	\$ 0.00	\$ 431,646.00	
7. Program Income	\$	\$	\$	\$	\$ 0.00	



<b>SECTION C - NON-FEDERAL RESOURCES</b>					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. VAPG	\$ 215,823.00	\$	\$	\$ 215,823.00	
9.				0.00	
10.				0.00	
11.				0.00	
12. TOTAL (sum of lines 8-11)	\$ 215,823.00	\$ 0.00	\$ 0.00	\$ 215,823.00	
<b>SECTION D - FORECASTED CASH NEEDS</b>					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 215,722.92	\$ 53,855.73	\$ 53,955.73	\$ 53,955.73	\$ 53,955.73
14. Non-Federal	215,822.92	53,955.73	53,955.73	53,955.73	53,955.73
15. TOTAL (sum of lines 13 and 14)	\$ 431,545.84	\$ 107,811.46	\$ 107,911.46	\$ 107,911.46	\$ 107,911.46
<b>SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT</b>					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.VAPG	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
<b>SECTION F - OTHER BUDGET INFORMATION</b>					
21. Direct Charges: Direct Total = \$215,823.00			22. Indirect Charges: None		
23. Remarks: Matching Total = \$215,823.00					



**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 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 (0348-0040), 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.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.



9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE	
<i>Jane Doe</i>		<i>Secretary / Treasurer</i>	
APPLICANT ORGANIZATION		DATE SUBMITTED	
<i>Jane Does It, Inc</i>		May 16, 2007	





Committed to the future of rural communities.

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## RURAL BUSINESS-COOPERATIVE PROGRAMS

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### BUSINESS AND INDUSTRY (B&I) LOAN GUARANTEE PROGRAM

*The Business and Industry Loan Guarantee program guarantees loans made by eligible local lenders to businesses to benefit rural areas. The program's primary purpose is to create and maintain employment and improve the economic and environmental climate in rural communities. This is achieved by expanding the existing private credit structure capability to make and service quality loans to provide lasting community benefits. USDA Rural Development typically guarantees losses of up to 80 percent of the original loan amount. Inability to obtain other credit is not a requirement.*

#### Benefits To Businesses

- Higher loan amounts, strengthens the loan application, less equity injection, lower interest rates and longer repayment terms assist businesses that may not qualify for conventional lender financing.
- Assists a business in providing stability, growth, expansion and rural employment.

#### Benefits To Lenders

- Provides lenders with another tool to expand their loan portfolio while reducing risk exposure.
- Improves the economy and quality of life in rural communities.
- Reduces concerns regarding collateral/appraisal issues often found in smaller communities.
- Allows lenders to make loans above their legal lending limits.
- Increase profitability by selling guaranteed portion on the secondary market.

#### Eligible Areas

Business and industrial loans can be guaranteed in rural cities up to 50,000 population. Priority is given to applications for loans in rural communities of 25,000 or less.

#### Eligible Borrowers

- Any legal entity, including individuals, public and private organizations and federally recognized Indian tribal groups, may qualify.
- There is no size restriction on the businesses.
- Local economic development organizations and investors can be considered.

#### Eligible Loan Purposes

- Business and industrial acquisitions, construction, conversion, expansion, repair, modernization or development costs.
- Purchase of equipment, machinery or supplies.
- Startup costs and working capital.
- Processing and marketing facilities.
- Pollution control and abatement.
- Refinancing for viable projects, under certain conditions.
- Purchase of startup cooperative stock for family sized farms where commodities are produced to be processed by the cooperative.

#### Maximum Loan Amount

Loan guarantees are limited to a maximum of \$25 million per borrower.

#### Loan Guarantee Limits (Maximum Percentage Applies To The Entire Loan)

- 80% up to \$5 million.
- 70% over \$5 million to \$10 million.
- 60% over \$10 million to \$25 million.

#### Collateral - Appraisals

- All collateral must secure the entire loan.
- Repayment must be reasonably assured.
- Personal and corporate guarantees are required.
- A qualified appraisal report is required on property that will serve as collateral.

#### Loan To Appraised Market Value Ratios

Lenders will discount collateral consistent with sound loan to value policies and standards.

#### Maximum Repayment Terms

- Working Capital - 7 years.
- Machinery and Equipment - 15 years (or useful life).
- Real Estate - 30 years.

#### Ineligible Loan Purposes

- Line of Credit.
- Agricultural production which is not part of an integrated business involved in the processing of agricultural products.



- Any project likely to result in the transfer of employment from one area to another.
- Any project involving transfer of ownership, unless this will keep the business from closing, prevent the loss of jobs in an area or provide more jobs.
- Paying off a creditor in excess of the value of the collateral.
- Payment to owners, partners, shareholders or others who retain any ownership in the business.
- Corporations and businesses not at least 51% owned and controlled by U.S. citizens.
- Charitable and educational institutions, religious organizations and affiliated entities and fraternal organizations.

#### **Fees and Costs**

A one-time guarantee fee of 2 percent of the guaranteed principal amount is paid by the lender and may be passed on to the borrower. Subject to annual renewal fee on the unpaid principal balance; guaranteed portion of the loan only. Other typical lender costs may also be incurred.

#### **Borrower Equity Requirements**

A minimum of 10 percent tangible balance sheet equity is required at the time of issuing the loan note guarantee for existing businesses. Twenty percent (20%) tangible balance sheet equity is required for new businesses. All financials must be prepared in accordance with general accepted accounting principles. **Feasibility studies may be required.**

#### **Interest Rate**

- Interest rates for loans may be fixed or variable.
- The rate is negotiated between the lender and borrower and is similar to those rates customarily charged to other borrowers in similar circumstances.
- A variable rate must be tied to a nationally published rate.
- Variable rates cannot be adjusted more than quarterly.

#### **Credit Quality**

Lender addresses the business adequacy of equity, cash flow, collateral, history, management and the current status of applicable industry in a written credit analysis.

#### **Servicing/Liquidation**

Financial statements developed in accordance with generally accepted accounting principles are required. Lenders will service and, if necessary, liquidate the loans (with USDA Rural Development's concurrence).

#### **For More Information**

For more information contact Rural Development:

USDA Rural Development  
Federal Building, Room 152  
100 Centennial Mall North  
Lincoln, NE 68508-3888  
Phone: (402) 437-5568 or (402) 437-5554

National Office Web site: <http://www.rurdev.usda.gov/rbs>  
Rural Development Toll Free: (800) 670-6553  
Nebraska Rural Development Web site: <http://www.rurdev.usda.gov/ne>  
Nebraska State Office Telephone Number: (402) 437-5551  
Nebraska State Office Facsimile Number: (402) 437-5408  
Nebraska State Office TDD Number: (402) 437-5093

*"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 or TDD). To file a complaint of discrimination, write 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."*

U.S. Department of Agriculture  
Rural Development - Rural Business-Cooperative Programs  
(May 2010)



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT

FORM APPROVED  
OMB No. 0570-0017  
OMB No. 0570-0050

**APPLICATION FOR LOAN GUARANTEE**  
(Business and Industry and Section 9006 Program)

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 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 A: Completed By Borrower**

1. AMOUNT OF LOAN \$ _____		2. NAME OF BORROWER _____		3. ADDRESS (Include Zip Code) _____	
4. CONTACT PERSON _____		5. TELEPHONE NUMBER (Include Area Code) _____		6. TAX ID # OR SOCIAL SECURITY # FOR INDIVIDUALS _____	
7. PROJECT LOCATION (Town/City) _____		8. POPULATION _____	9. COUNTY _____		
12. DATE BUSINESS ESTABLISHED _____		13. DUNS Number _____		10. TYPE OF BORROWER <input type="checkbox"/> Proprietorship <input type="checkbox"/> Cooperative <input type="checkbox"/> Partnership <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Corporation <input type="checkbox"/> Political Subdivision	
14. a. THIS PROJECT IS <input type="checkbox"/> An expansion <input type="checkbox"/> New Business <input type="checkbox"/> Refinancing <input type="checkbox"/> Transfer of ownership <input type="checkbox"/> Other b. JOBS Created _____ Saved _____		15. IF BORROWER IS AN INDIVIDUAL (Item 10 checked proprietorship) A. IS HE OR SHE A VETERAN? <input type="checkbox"/> YES <input type="checkbox"/> NO B. MARITAL STATUS - <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried		11. NAICS CODE _____ 16. HAS BORROWER OR RELATED INDIVIDUAL EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY? <input type="checkbox"/> YES <input type="checkbox"/> NO	

17. SCHEDULE OF INSTALLMENT DEBTS, CONTRACTS, NOTES AND MORTGAGES PAYABLE CORRELATED TO LATEST BALANCE SHEET DATED \_\_\_\_\_, INDICATE WITH ASTERISK (\*) DEBTS TO BE REPAYED WITH PROPOSED USDA GUARANTEED LOAN IF APPLICABLE. (\*Attach additional sheet if necessary.)

CREDITOR	ORIGINAL LOAN AMOUNT	LOAN BALANCE	DATE OF LOAN	INTEREST RATE	MATURITY DATE	M - MONTHLY Q - QUARTERLY A - ANNUAL PAY	CURRENT? Y - YES N - NO	SECURITY

18. For Existing Businesses Only - Aging of accounts receivable, correlated to latest balance sheet dated \_\_\_\_\_, typical selling terms are:  
 30 Days or Less,  60 Days or Less,  90 Days or Less,  Other (Specify) \_\_\_\_\_  
 30 Days or Less ..... \$ \_\_\_\_\_ 61 to 90 Days ..... \$ \_\_\_\_\_  
 31 Days to 60 Days ..... \$ \_\_\_\_\_ Over 90 Days ..... \$ \_\_\_\_\_

19. PROFESSIONAL SERVICE FEES FOR ENGINEERS, ARCHITECTS, LAWYERS, ACCOUNTANTS, LOAN PACKAGERS, APPRAISERS, PROVIDED IN THE PREPARATION OF THIS APPLICATION (SUBJECT TO USDA APPROVAL)

NAME	SERVICE	FEE/COMPENSATION	SOURCE OF FUNDING

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. The time required to complete this information collection is estimated to average 4 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.



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 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.

#### 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?  Yes  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?

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					\$0
Office Furniture and Equipment					\$0
Automotive Equipment					\$0
Machinery and Equipment					\$0
Building					\$0
Land					\$0
Other:					\$0
<b>TOTALS</b>	\$0			\$0	\$0

\* Indicate by asterisk liens to be paid off with USDA guaranteed loan funds



15.	<b>Project Purpose and Funding</b>	<b>Borrower Contribution</b>	<b>USDA Guaranteed Loan</b>	<b>Other Funds</b>	<b>Total</b>
	Working Capital				\$0
	Office Furniture and Equipment				\$0
	Automotive Equipment				\$0
	Machinery and Equipment				\$0
	Real Estate				\$0
	Debt Restructuring				\$0
	Fees: Professional, USDA Guarantee				\$0
	Other				\$0
	<b>TOTAL</b>	\$0	\$0	\$0	\$0

16.	<b>Proposed Financing</b>	<b>Loan Amount</b>	<b>Interest Rate "v" variable</b>	<b>Base Rate As of Today</b>	<b>Interest Rate Tied To</b>	<b>Days Interest Computed On</b>	<b>Term "Y" - "Mo"</b>	<b>Monthly Payments</b>
	<b>TOTAL</b>	\$0						\$0.00

17.	<b>B &amp; I</b>	<b>Section 9006 Program</b>
	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.
	<b>When Loan Note Guarantee is Issued:</b>	Cash equity: \$
	Common Stock	Equity in real property: \$
	Preferred Stock	<b>TOTAL EQUITY:</b> \$ 0.00
	Retained Earnings	
	Capital Surplus	Total Eligible Project Cost: \$
	Other *	Equity percentage: (=Total Equity/Total Project Cost) 0 %
	<b>TOTAL</b>	USDA use: 15% Equity if loan <= \$600,000 25% Equity if loan > \$600,000

OK  
 OK



**ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:**

- 18. Intergovernmental Review Clearance *(If applicable)*.
- 19. Credit reports on the borrower, its principals, 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.



**APPLICATION FOR LOAN GUARANTEE**  
(Business and Industry and Section 9006 Program)

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 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 A: Completed By Borrower**

1. AMOUNT OF LOAN \$ 23,750,000.00		2. NAME OF BORROWER [REDACTED]		3. ADDRESS (Include Zip Code) [REDACTED]	
4. CONTACT PERSON [REDACTED]		5. TELEPHONE NUMBER (Include Area Code) [REDACTED]		6. TAX ID # OR SOCIAL SECURITY # FOR INDIVIDUALS Pending	
7. PROJECT LOCATION (Town/City) [REDACTED]		8. POPULATION 1,832	9. COUNTY [REDACTED]	10. TYPE OF BORROWER <input type="checkbox"/> Proprietorship <input type="checkbox"/> Cooperative <input type="checkbox"/> Partnership <input type="checkbox"/> Indian Tribe <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Political Subdivision	11. NAICS CODE 713990
12. DATE BUSINESS ESTABLISHED 06-01-2010		13. DUNS Number Pending		16. HAS BORROWER OR RELATED INDIVIDUAL EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
14. a. THIS PROJECT IS <input type="checkbox"/> An expansion <input type="checkbox"/> New Business <input type="checkbox"/> Refinancing <input checked="" type="checkbox"/> Transfer of ownership <input type="checkbox"/> Other b. JOBS Created _____ Saved 900		15. IF BORROWER IS AN INDIVIDUAL (Item 10 checked proprietorship) A. IS HE OR SHE A VETERAN? <input type="checkbox"/> YES <input type="checkbox"/> NO B. MARITAL STATUS - <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried			

17. SCHEDULE OF INSTALLMENT DEBTS, CONTRACTS, NOTES AND MORTGAGES PAYABLE CORRELATED TO LATEST BALANCE SHEET DATED \_\_\_\_\_, INDICATE WITH ASTERISK (\*) DEBTS TO BE REPAYED WITH PROPOSED USDA GUARANTEED LOAN IF APPLICABLE. (\*Attach additional sheet if necessary.)

CREDITOR	ORIGINAL LOAN AMOUNT	LOAN BALANCE	DATE OF LOAN	INTEREST RATE	MATURITY DATE	M - MONTHLY Q - QUARTERLY A - ANNUAL PAY	CURRENT? Y - YES N - NO	SECURITY
None				%				
				%				
				%				
				%				
				%				
				%				

18. For Existing Businesses Only - Aging of accounts receivable, correlated to latest balance sheet dated \_\_\_\_\_, typical selling terms are:  
 30 Days or Less;  60 Days or Less;  90 Days or Less;  Other (Specify) \_\_\_\_\_  
 30 Days or Less \$ \_\_\_\_\_ 61 to 90 Days \$ \_\_\_\_\_  
 31 Days to 60 Days \$ \_\_\_\_\_ Over 90 Days \$ \_\_\_\_\_

19. PROFESSIONAL SERVICE FEES FOR ENGINEERS, ARCHITECTS, LAWYERS, ACCOUNTANTS, LOAN PACKAGERS, APPRAISERS, PROVIDED IN THE PREPARATION OF THIS APPLICATION (SUBJECT TO USDA APPROVAL)

NAME	SERVICE	FEE/COMPENSATION	SOURCE OF FUNDING
[REDACTED]	[REDACTED]	\$20,000.00	personal funds

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. The time required to complete this information collection is estimated to average 4 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.



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
[REDACTED]		M	Yes	300,000	50	[REDACTED]	Yes
[REDACTED]		M	Yes	300,000	50	[REDACTED]	Yes

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)(vii) 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

CEO

8-26-10



**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 checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	7. GUARANTEE PERCENT REQUESTED? 60 %	8. WHY IS GUARANTEE NEEDED? To help with specialized collateral
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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:  
None

10. LIST ALL FEES LENDER WILL CHARGE FOR THE LOAN, INCLUDING THE USDA GUARANTEE FEE:  
\$335,000

11. LENDER'S SERVICING PLAN (FIELD INSPECTIONS, INTERIM STATEMENTS, ANNUAL AUDITS CREDIT ANALYSIS, ETC.):  
Monthly financials; quarterly compiled financials from an accounting firm, annual audit, minimum of two field audits of the Company completed by an outside firm, and semi-annually inspections by State Bank of Davis

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
None				

13. PROPOSED KEY EMPLOYEE LIFE INSURANCE, EMPLOYEE NAME(S) AND AMOUNT(S)

None	Assigned to Guaranteed Loan? NO
None	Assigned to Guaranteed Loan? NO

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					\$0
Inventory					\$0
Office Furniture and Equipment					\$0
Automotive Equipment	\$3,500,000		25		\$2,625,000
Machinery and Equipment	\$26,132,950		0		\$26,132,950
Building					\$0
Land					\$0
Other	\$4,301,876		50		\$2,150,938
<b>TOTALS:</b>	\$33,934,826			\$0	\$30,908,888

\* Indicate by asterisk liens to be paid off with USDA guaranteed loan funds



\*Borrower's cash equity position (\$12,074,912.00) is based on projected balance sheet at closing.

Project Purpose and Funding	Borrower Contribution	USDA Guaranteed Loan	Other Funds	Total
Working Capital	\$1,500,000		\$750,000	\$2,250,000
Office Furniture and Equipment				\$0
Automotive Equipment				\$0
Machinery and Equipment	\$11,250,000	\$23,750,000		\$35,000,000
Real Estate				\$0
Debt Restructuring				\$0
Fees: Professional, USDA Guarantee	\$500,000			\$500,000
Other				\$0
<b>TOTAL</b>	<b>\$ 13,250,000</b>	<b>\$23,750,000</b>		<b>\$ 37,750,000</b>

Proposed Financing	Loan Amount	Interest Rate "V" variable	Base Rate As of Today	Interest Rate Tied To	Days Interest Computed On	Term "Y" - "Mo"	Annual Payments
Equipment	\$19,750,000	6.50%	N/A-fixed	---	360	7 yr	\$3,601,045.00
Equipment	\$4,000,000	6.50%	N/A-fixed	---	360	10 yr	\$556,419.00
* Interest rate for the \$19.750 term loan will be fixed at 6.50% for 5 years. It will then adjust to WSJP plus 2.00% and adjusted annually thereafter. Maturity will be 7 years.							
Interest rate for the \$4.0 million term loan will be fixed at 6.50% for 5 years with the same adjustments. Maturity will be 10 yrs							
<b>TOTAL</b>	<b>\$23,750,000</b>						<b>\$4,157,464.00</b>

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:	\$ 12,074,912.00
Common Stock	\$12,074,912.00	Equity in real property:	\$
Preferred Stock		TOTAL EQUITY:	\$ 12,074,912.00
Retained Earnings			
Capital Surplus		Total Eligible Project Cost:	\$ \$37,750,000
Other *		Equity percentage: (=Total Equity/Total Project Cost)	0 %
<b>TOTAL</b>	<b>\$12,074,912.00</b>	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 principals, 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 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: \_\_\_\_\_

By: \_\_\_\_\_  
Officer Signature

Date

Officer Title

8-30-10

Loan Officer





## Factsheet

# Rural Energy for America Program

The Rural Energy for America Program (REAP) is an amended and expanded program from the original 2002 Farm Bill program called the Renewable Energy Systems and Energy Efficiency Improvements Program. Under the 2008 Farm Bill there are three separate purposes that can be funded under the REAP: the Energy Audit and Renewable Energy Development Assistance Grant, the Renewable Energy Feasibility Study Grant, and the Facility Assistance.

The REAP **Energy Audit and Renewable Energy Development Assistance** is for units of State, tribal, or local government; instrumentality of a State, tribal, or local government; institutions of higher education; rural electric cooperatives; or a public power entity. The program is design to assist farmers, ranchers, and rural small businesses with evaluating their operations energy efficiency and evaluating renewable energy technologies and resources that can be incorporated into the operation. The maximum grant to an entity is \$100,000 in a single fiscal year.

The REAP **Renewable Energy Feasibility Study Grant** will provide a grant to an agricultural producers or rural small business to conduct a feasibility study for a renewable energy system. Feasibility studies can be completed for renewable energy systems which provide energy from: wind, solar, renewable biomass (including anaerobic digesters), small hydro-power (ocean and hydro-electric) or geothermal or hydrogen derived from these renewable resources. The maximum grant in a single fiscal year for a renewable energy feasibility study grant is \$50,000 or 25 percent of the cost of the study, whichever is less.

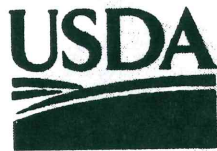
The REAP **Renewable Energy Systems and Energy Efficient Improvement Assistance** will provide grants and guaranteed loans to agricultural producers and rural small businesses to purchase and install renewable energy systems and make energy efficiency improvements to their operations. Eligible renewable energy systems which provide energy from: wind, solar, renewable biomass (including anaerobic digesters), small hydro-power (ocean and hydro-electric) or geothermal or hydrogen derived from these renewable resources. The grants are awarded on a competitive basis and can be up to 25% of total eligible project costs. Grants are limited to \$500,000 for renewable energy systems and \$250,000 for energy efficiency improvements. Grant requests as low as \$2,500 for renewable energy systems and \$1,500 for energy efficiency improvements will be considered. At least 20% of the grant funds awarded must be for grants of \$20,000 or less. Guaranteed Loans can be for up to 75% of the project's cost with a minimum loan of \$5,000 and a maximum loan of \$25 million.

**For More Information:** On the 2008 Farm Bill energy provisions, visit <http://www.rurdev.usda.gov/rbs/busp/bprogs.htm>, or contact Energy Division at (202) 720-1400.

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) 7202600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Ave. SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender.





# Rural Energy for America Program

## Energy Audit and Renewable Energy Development Assistance Purpose

**Purpose:** To provide financial assistance in the form of grants to eligible for the purpose of conducting a energy audits and renewable energy development assistance to rural small businesses and agricultural producers in rural areas.

### Eligible Applicant:

- Unit of State, tribal, or local government;
- Land-grant college or university or other institution of higher education;
- Rural electric cooperative;
- Public power entity; or
- Instrumentality of a State, tribal, or local government.

### Eligible Project:

Assistance must be provided to agricultural producers and rural small businesses located in eligible rural area. Assistance provided must consist of:

- Energy audits,
- Renewable energy technical assistance, and
- Renewable energy site assessment.

### Eligible Project Cost

- Salaries directly or indirectly related to the project;
- Travel expenses directly related to conducting energy audits or renewable energy development assistance;
- Office supplies (e.g., paper, pens, file folders); and
- Administrative expenses, up to a maximum of 5 percent of the grant, which include but are not limited to:
  - Utilities,
  - Office space,
  - Operation expenses of office and other project-related equipment, and
  - Expenses for outreach and marketing of the energy audit and renewable energy development assistance activities, including associated travel expenses.

### Ineligible project costs

- Pay for any construction-related activities or equipment purchases,
- Pay any costs of preparing the application package,
- Pay any costs of the project incurred prior to the date of application,
- Fund political or lobbying activities, and
- Pay any judgment or debt owed to the United States.

### Amount of Assistance

Applicants may qualify for a grant of up to \$100,000.





# Rural Energy for America Program

## Facility Purpose

**Purpose:** To provide financial assistance in the form of grants and guaranteed loans to agricultural producers and rural small businesses for the purpose of purchasing and installing renewable energy systems and energy efficiency improvements in rural areas.

### Eligible Applicant:

- Agricultural Producer - >50% of income from production of Agricultural Products.
- Rural Small Business – A private entity in accordance with Small Business Administration's (SBA) Small Business Size Standards by North American Industry Classification System (NAICS) found in 13 CFR part 121. A private entity may consist be a sole proprietorship, partnership, corporation, cooperative, or electric utility (including governmental utility).
- U.S. citizen or if an entity 51% owned by U.S. Citizens.

### Ineligible Applicant

- The applicant is not eligible for assistance if there is an outstanding judgment obtained by the United States Federal Court (other than U.S. Tax Court), or is delinquent in the payment of Federal income taxes, or is delinquent of Federal debt.
- The applicant is not eligible for assistance if their matching funds include grants from other Federal grant programs.

### Eligible Project:

- Must be located in eligible rural area, which is any area other than a city or town of greater than 50,000 inhabitants and its contiguous urbanized area, based on the latest decennial census.
- Renewable energy systems which provide energy from the following list of renewable resources or hydrogen derived from these renewable resources:
  - wind
  - solar
  - renewable biomass (including anaerobic digester)
  - small hydro-power (ocean and hydro-electric)
  - geothermal
- Energy efficiency improvements to a facility, building, or process that reduces energy consumption.
- Technology must be pre-commercial or commercially available.
- Projects must be technically feasible and have technical merit.

### Eligible Project Cost

- Post application purchase and installation of Equipment.
- Post application construction or improvement.
- Energy audit and assessments (Except those audits funded by a Federal Grant).
- Permit and License fees.
- Professional service fees.
- Feasibility studies (Except those audits funded by a Federal Grant).
- Business plans and technical reports.
- Retrofitting.
- Replace an existing facility if an energy audit shows it would be more energy efficient than improving the existing facility.
- Purchase Land (Guaranteed Loan Only).
- Working Capital (Guaranteed Loan Only).





# Rural Energy for America Program

## Renewable Energy System Feasibility Study Purpose

**Purpose:** To provide financial assistance in the form of grants to agricultural producers and rural small businesses for the purpose of conducting a feasibility study for the purchase and installation of a renewable energy system in rural areas.

### Eligible Applicant:

- Agricultural Producer - >50% of income from production of Agricultural Products.
- Rural Small Business – A private entity in accordance with Small Business Administration's (SBA) Small Business Size Standards by North American Industry Classification System (NAICS) found in 13 CFR part 121. A private entity may consist be a sole proprietorship, partnership, corporation, cooperative, or electric utility (including governmental utility).
- U.S. citizen or if an entity 51% owned by U.S. Citizens.

### Ineligible Applicant

- The applicant is not eligible for assistance if there is an outstanding judgment obtained by the United States Federal Court (other than U.S. Tax Court), or is delinquent in the payment of Federal income taxes, or is delinquent of Federal debt.
- The applicant is not eligible for assistance if their matching funds include grants from other Federal grant programs.

### Eligible Project:

- Must be located in eligible rural area, which is any area other than a city or town of greater than 50,000 inhabitants and its contiguous urbanized area, based on the latest decennial census.
- Renewable energy systems which provide energy from the following list of renewable resources or hydrogen derived from these renewable resources:
  - Wind, solar, renewable biomass (including anaerobic digester), ocean (including tidal, wave, current, and thermal), hydro-electric source, and geothermal.
- Technology must be pre-commercial or commercially available.

### Eligible Project Cost

- Costs incurred after the application submittal date
- Specific to the development of the feasibility study, including, but not limited to:
  - Resource assessment,
  - Transmission study, and
  - Environmental study.

### Ineligible project costs

- Costs associated with selection of engineering, architectural, or environmental services,
- Designing, bidding, or contract development for the proposed facility,
- Permitting and other licensing costs required to construct the facility,
- Conducting industry-level feasibility study, and
- Pay for any goods or services provided by a person or entity which has a conflict of interest.

### Amount of Assistance

Applicants may qualify for a grant of up to 25% of the total eligible project cost or \$50,000 whichever is less.



**TECHNICAL REPORTS FOR PROJECTS WITH  
TOTAL ELIGIBLE PROJECT COSTS OF \$200,000 OR LESS**

The Technical Report for projects with total eligible project costs of \$200,000 or less must demonstrate that the project design, procurement, installation, startup, operation, and maintenance of the renewable energy system or energy efficiency improvement will operate or perform as specified over its design life in a reliable and a cost-effective manner. The Technical Report must also identify all necessary project agreements, demonstrate that those agreements will be in place, and that necessary project equipment and services are available over the design life.

All technical information provided must follow the format specified in Sections 1 through 10 of this appendix. Supporting information may be submitted in other formats. Design drawings and process flowcharts are encouraged as exhibits. A discussion of each topic is not necessary if the topic is not applicable to the specific project. Questions identified in the Agency's technical review of the project must be answered to the Agency's satisfaction before the application will be approved. The applicant must submit the original technical report plus one copy to the Rural Development State Office. Depending on the level of engineering required for the specific project or if necessary to ensure public safety, the services of a licensed professional engineer or a team of licensed professional engineers may be required.



### Section 1. Bioenergy

The technical requirements specified in this section apply to bioenergy projects, which are, as defined in § 4280.103, renewable energy systems that produce fuel, thermal energy, or electric power from a biomass source, other than an anaerobic digester project.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate evidence of the availability of the renewable resource required for the system to operate as designed. Indicate the type, quantity, quality, and seasonality of the biomass resource, including harvest and storage, where applicable. Where applicable, indicate shipping or receiving method and required infrastructure for shipping. For proposed projects with an established resource, provide a summary of the resource.

(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:



- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
  - (2) List possible suppliers and models of major pieces of equipment;
  - (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
  - (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system;
  - (5) Describe the expected electric power, fuel production, or thermal energy production of the proposed system as rated and as expected in actual field conditions. For systems with a capacity of more than 20 tons per day of biomass, address performance on a monthly and annual basis. For small projects such as a commercial biomass furnace or pelletizer of up to 5 tons daily capacity, proven, commercially available devices need not be addressed in detail. Describe the uses of or the market for electricity, heat, or fuel produced by the system;
  - (6) Discuss the impact of reduced or interrupted biomass availability on the system process; and
  - (7) Describe the project site and address issues such as proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.
- (e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate that the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.
- (f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.



(g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.

(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.

## Section 2. Anaerobic Digester Projects

The technical requirements specified in this section apply to anaerobic digester projects, which are, as defined in § 4280.103, renewable energy systems that use animal waste and other organic substrates to produce thermal or electrical energy via anaerobic digestion.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate data to demonstrate the amount of digestible substrate resource available. Indicate the source of the data and assumptions. Indicate the substrates used as digester inputs, including animal wastes, food-processing wastes, or other organic wastes in terms of type, quantity, seasonality, and frequency of collection. Describe any special handling of feedstock that may be necessary. Describe the process for determining the feedstock resource. Show the digestion conversion factors and calculations used to estimate biogas production and heat or power production.



(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:

- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
- (2) List possible suppliers and models of major pieces of equipment;
- (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
- (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system;
- (5) Describe the expected electric power, fuel production, or thermal energy production of the proposed system as rated and as expected in actual field conditions. Describe the uses of or the market for electricity, heat, or fuel produced by the system; and
- (6) Describe the project site and address issues such as proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.

(e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.

(f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.

(g) Equipment procurement. Include a statement from the applicant certifying "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.

(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.



Section 3. Geothermal, Electric Generation

The technical requirements specified in this section apply to electric generation geothermal projects, which are, as defined in § 4280.103, systems that use geothermal energy to produce high pressure steam for electric power production.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credential for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits, including any permits or agreements required for well construction and for disposal or re-injection of cooled geothermal waters and the schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate evidence of the availability of the renewable resource required for the system to operate as designed. Indicate the quality of the geothermal resource, including temperature, flow, and sustainability and what conversion system is to be installed. Describe any special handling of cooled geothermal waters that may be necessary. Describe the process for determining the geothermal resource, including measurement setup for the collection of the geothermal resource data. For proposed projects with an established resource, provide a summary of the resource and the specifications of the measurement setup.

(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:

- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
  - (2) List possible suppliers and models of major pieces of equipment;
  - (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
  - (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system;
  - (5) Describe the expected electric power, fuel production, or thermal energy production of the proposed system as rated and as expected in actual field conditions. Describe the uses of or the market for electricity, heat, or fuel produced by the system; and
  - (6) Describe the project site and address issues such as proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.
- (e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate that the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.
- (f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.
- (g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.



(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.

#### Section 4. Geothermal, Direct Use

The technical requirements specified in this section apply to direct use geothermal projects, which are, as defined in § 4280.103, systems that use thermal energy directly from a geothermal source.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits, including any permits or agreements required for well construction and for disposal or re-injection of cooled geothermal waters and the schedule for securing those agreements and permits.

(2) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate evidence of the availability of the renewable resource required for the system to operate as designed. Indicate the quality of the geothermal resource, including temperature, flow, and sustainability and what direct use system is to be installed. Describe any special handling of cooled geothermal waters that may be necessary. Describe the process for determining the geothermal resource, including measurement setup for the collection of the geothermal resource data. For proposed projects with an established resource, provide a summary of the resource and the specifications of the measurement setup.

(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:



- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
  - (2) List possible suppliers and models of major pieces of equipment;
  - (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
  - (4) Provide one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system;
  - (5) Describe the expected thermal energy production of the proposed system as rated and as expected in actual field conditions. Describe the uses of, or the market for, heat produced by the system; and
  - (6) Describe the project site and address issues such as proximity to the load, unique safety concerns, and whether special circumstances exist.
- (e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.
- (f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.
- (g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.

(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.



## Section 5. Hydrogen

The technical requirements specified in this section apply to hydrogen projects, which are, as defined in § 4280.103, renewable energy systems that produce hydrogen, or a renewable energy system that uses mechanical or electric power or thermal energy from a renewable resource using hydrogen as an energy transport medium.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate data to demonstrate the type, quantity, quality, and seasonality of the local renewable resource that will be used to produce the hydrogen.

(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:

(1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;

(2) List possible suppliers and models of major pieces of equipment;

- (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
  - (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system; and
  - (5) Describe the project site and address issues such as proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.
- (e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.
- (f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.
- (g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.
- (h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.
- (i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.



- (1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.
  - (2) If the project has any unique operation and maintenance issues, describe them.
- (j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.

## Section 6. Solar, Small

The technical requirements specified in this section apply to small solar electric projects and small solar thermal projects, as defined in § 4280.103. Small solar electric projects are those for which the rated power of the system is 10kW or smaller. Small solar electric projects are either stand-alone (off grid) or interconnected to the grid at less than 600 volts (on grid).

Small solar thermal projects are those for which the rated storage volume of the system is 240 gallons or smaller, or which have a collector area of 1,000 square feet or less.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate data to demonstrate the amount of solar resource available. Indicate the source of the solar data and assumptions.



(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:

- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
- (2) List possible suppliers and models of major pieces of equipment;
- (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
- (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system; and
- (5) Describe the project site and address issues such as solar access, orientation, proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.

(e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate that the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.

(f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.

(g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.

(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.



### Section 7. Solar, Large

The technical requirements specified in this section apply to large solar electric projects and large solar thermal projects, as defined in § 4280.103.

Large solar electric systems are those for which the rated power of the system is larger than 10kW. Large solar electric systems are either stand-alone (off grid) or interconnected to the grid (on grid).

Large solar thermal systems are those for which the rated storage volume of the system is greater than 240 gallons or that have a collector area of more than 1,000 square feet.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credential for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate data to demonstrate the amount of solar resource available. Indicate the source of the solar data and assumptions.

(d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:

- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
- (2) List possible suppliers and models of major pieces of equipment;
- (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
- (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system; and
- (5) Describe the project site and address issues such as solar access, orientation, proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.

(e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.

(f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.

(g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.



(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.

Section 8. Wind, Small

The technical requirements specified in this section apply to small wind systems, which are, as defined in § 4280.103, wind energy systems for which the rated power of the wind turbine is 100kW or smaller and with a generator hub height of 120 feet or less. Small wind systems are either stand-alone or connected to the local electrical system at less than 600 volts.

- (a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.
- (b) Agreements, permits, and certifications.
  - (1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.
  - (2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.
  - (3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.
- (c) Resource assessment. Provide adequate and appropriate data to demonstrate the amount of local wind resource where the small wind turbine is to be installed. Indicate the source of the wind data and assumptions.
- (d) Design and engineering. Applicants must certify that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:



- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
- (2) List possible suppliers and models of major pieces of equipment;
- (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
- (4) Provide a one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system; and
- (5) Describe the project site and address issues such as proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.

(e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.

(f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.

(g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.

(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.



Section 9. Wind, Large.

The technical requirements specified in this section apply to large wind systems, which are, as defined in § 4280.103, wind energy projects for which the rated power of the individual wind turbine(s) is larger than 100kW.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional.

(b) Agreements, permits, and certifications.

(1) Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits.

(2) For systems planning to interconnect with a utility, describe the utility's system interconnection requirements, power purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements. This is required even if the system is installed on the customer side of the utility meter. For systems planning to utilize a local net metering program as their interconnection agreement, describe the applicable local net metering program.

(3) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Resource assessment. Provide adequate and appropriate data to demonstrate the amount of local wind resource where the large wind turbine is to be installed. Indicate the source of the wind data and assumptions. Projects greater than 500kW must obtain wind data from the proposed project site. For such projects, describe the proposed measurement setup for the collection of the wind resource data. For proposed projects with an established wind resource, provide a summary of the wind resource and the specifications of the measurement setup. Large wind systems larger than 500kW in size will typically require at least 1 year of on-site monitoring. If less than 1 year of data is used, the qualified meteorological consultant must provide a detailed analysis of correlation between the site data and a nearby long-term measurement site.

- (d) Design and engineering. Applicants must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, applicants must:
- (1) Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose;
  - (2) List possible suppliers and models of major pieces of equipment;
  - (3) Provide a description of the components, materials, or systems to be installed. Include the location of the project;
  - (4) Provide one-line diagram for the electrical interconnection. Provide diagrams or schematics as required showing all major installed structural, mechanical, and electrical components of the system; and
  - (5) Describe the project site and address issues such as proximity to the load or the electrical grid, unique safety concerns, and whether special circumstances exist.
- (e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed and be able to identify impacts of any delays on the project completion. The applicant must submit a statement certifying that the project will be completed within 3 years from the date of approval.
- (f) Project economic assessment. Provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.
- (g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.



(h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.

(i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the system to operate as designed over the design life. State the design life of the system.

(1) Provide information on all system warranties. A minimum 3-year warranty for equipment and a 10-year warranty on design are expected.

(2) If the project has any unique operation and maintenance issues, describe them.

(j) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives.

Section 10. Energy Efficiency Improvements

The technical requirements specified in this section apply to energy efficiency improvement projects, which are, as defined in § 4280.103, improvements to a facility, building, or process that reduces energy consumption.

(a) Qualifications of key project service providers. List all key project service providers. If one or more licensed professionals are involved in the project, provide the credentials for each professional. For projects with total eligible project costs greater than \$50,000, also discuss the qualifications of the energy auditor, including any relevant certifications by recognized organizations or bodies.

(b) Agreements, permits, and certifications.

(1) The applicant must certify that they will comply with all necessary agreements and permits required for the project. Indicate the status and schedule for securing those agreements and permits.

(2) Identify all environmental issues, including any compliance issues associated with or expected as a result of the project on Form RD 1940-20, "Request for Environmental Information," and in compliance with 7 CFR part 1940, subpart G, of this title.

(c) Energy assessment.

(1) For all energy efficiency improvement projects, provide adequate and appropriate evidence of energy savings expected when the system is operated as designed.

(2) For energy efficiency improvement projects with total eligible project costs greater than \$50,000, an energy audit must be conducted. An energy audit is a written report by an independent, qualified party that documents current energy usage, recommended potential improvements and their costs, energy savings from these improvements, dollars saved per year, and simple payback period in years (total costs divided by annual dollars of energy savings). The methodology of the energy audit must meet professional and industry standards. The energy audit must cover the following:



- (i) Situation report. Provide a narrative description of the facility or process, including energy system(s) and usage, and activity profile. Also include unit price per unit of energy (electricity, natural gas, propane, fuel oil, renewable energy, etc.,) paid by the customer on the date of the audit. Any energy conversion should be based on use rather than source.
- (ii) Potential improvements. List specific information on all potential energy-saving opportunities and their costs.
- (iii) Technical analysis. Discuss the interactions among the potential improvements and other energy systems.
- A) Estimate the annual energy and energy costs savings expected from each improvement identified in the potential project.
- B) Calculate all direct and attendant indirect costs of each improvement.
- C) Rank potential improvement measures by cost-effectiveness.
- (iv) Potential improvement description. Provide a narrative summary of the potential improvement and its ability to provide benefits, including a discussion of nonenergy benefits such as project reliability and durability.
- A) Provide preliminary specifications for critical components.
- B) Provide preliminary drawings of project layout, including any related structural changes.
- C) Document baseline data compared to projected consumption, together with any explanatory notes. When appropriate, show before-and-after data in terms of consumption per unit of production, time or area. Include at least 1 year's bills for those energy sources/fuel types affected by this project. Also submit utility rate schedules, if appropriate.
- D) Identify significant changes in future related operations and maintenance costs.
- E) Describe explicitly how outcomes will be measured.

- (d) Design and engineering. The applicant must submit a statement certifying that their project will be designed and engineered so as to meet the intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards.
- (1) Identify possible suppliers and models of major pieces of equipment.
  - (2) Describe the components, materials, or systems to be installed. Include the location of the project.
- (e) Project development schedule. Provide a project schedule in an appropriate level of detail that will demonstrate the project can be adequately managed. The applicant must submit a statement certifying that the project will be completed within 2 years from the date of approval.
- (f) Project economic assessment. For projects with total eligible project costs greater than \$50,000, provide an analysis of the proposed project to demonstrate its financial performance, including the calculation of simple payback. The analysis should include applicable investment incentives, productivity incentives, loans and grants, and expected energy offsets or sales on a monthly and annual basis. In addition, provide other information necessary to assess the project's cost effectiveness.
- (g) Equipment procurement. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.
- (h) Equipment installation. The project must be installed in accordance with applicable local, State, and national building and electrical codes and regulations. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules. Upon successful system installation and following established operation, the successful applicant must deliver invoices and evidence of payment.
- (i) Operations and maintenance. Identify any unique operations and maintenance requirements of the project necessary for the improvement(s) to perform as designed over the design life. State the design life of the improvement(s). Provide information regarding component warranties.
- (j) Dismantling and disposal of project components. Describe a plan for dismantling and proper disposal of the project components and associated wastes at the end of their useful lives.

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**Renewable Energy and Energy Efficiency Improvement Program  
 Evaluation Criteria Scoring Guideline  
 Per 4280-B Regulation**

<b>Name of Applicant:</b> _____ <b>Type of Technology:</b> _____ <b>Funding Request:</b> _____ <b>Final Total Score (sum of Categories 1-10):</b> _____
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List the maximum points the applicant is eligible for under each of the following ten categories, sum the individual scores, and place the total in the above box under "Final Total Score."

**(1) Quantity of Energy Replaced, Produced, or Saved**

Points may only be awarded for one category (A, B, or C).

**(A) Energy replacement**

If the proposed renewable energy system is intended primarily for self use by the agricultural producer or rural small business, and will provide energy replacement of:

Greater than 0 but equal to or less than 25%, award 5 points.	Points
Greater than 25%, but equal to or less than 50%, award 10 points.	
Greater than 50%, award 15 points.	
Determine energy replacement by dividing the estimated quantity of renewable energy to be generated over a 12-month period by the estimated quantity of energy consumed over the same 12-month period during the previous year by the applicable energy application. The estimated quantities of energy must be converted to British thermal units (BTU's), Watts, or similar energy equivalents to facilitate scoring. If the estimated energy produced equals more than 150% of the energy requirements of the applicable process(es), score the project as an energy generation project.	

Attach the documentation to substantiate this score for this category. You have identified this documentation via tab # \_\_\_\_\_. Your explanation of points awarded to be entered into the tracking system.

**Or**

**(B) Energy Savings (include additional 5 points if applicable)**

(1) If the estimated energy expected to be saved by the installation of the energy efficiency improvements will be from:

20% up to but not including 30%, award 5 points.	Points
30% up to but not including 35%, award 10 points.	
35% or greater, award 15 points.	
Energy savings will be determined by the projections in an energy assessment or audit.	

(2) Additional points.

If the project has total eligible project costs of \$50,000 or less AND opts to obtain a professional energy audit, award an additional 5 points.	Points
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Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

Or

(C) Energy generation

If the proposed renewable energy system is intended primarily for production of energy for sale, award 10 points.	Points
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Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

(2) Environmental benefits

If the purpose of the proposed system contributes to the environmental goals and objectives of other Federal, State, or local programs, award 10 points.	Points
Award points only if the applicant provides documentation from an appropriate authority supporting this claim.	

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

(3) Commercial availability

If the proposed system or improvement is currently commercially available and replicable, award 5 points.	Points
If the proposed system or improvement is commercially available and replicable and is also provided with a 5-year or longer warranty providing the purchaser protection against system degradation or breakdown or component breakdown, award 10 points.	

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

(4) Technical Merit - Score each paragraph (A) through (J) within this category according to the following rules. The contents of the Technical report will substantiate the score for technical merit. The total possible points for Technical Merit is 35.



**Scoring Rules for Technical Merit**

<b>If the description in the subparagraph ...</b>	<b>Award</b>
Has no significant weaknesses and exceeds the requirements of the subparagraph,	100% of the total possible score.
Has one or more significant strengths, and meets the requirements of the subparagraph,	80% of the total possible score.
Meets the basic requirements of the subparagraph, but also has several weaknesses,	60% of the total possible score.
Is lacking in one or more critical aspects, key issues have not been addressed, but the description demonstrates some merit or strengths,	40% of the total possible score.
Has serious deficiencies, internal inconsistencies, or is missing information,	20% of the total possible score.
Has no merit in this area,	0% of the total possible score.

**Technical Merit Scoresheet**

<b>The 10 subparagraphs which are the basis for evaluation.</b>	<b>Maximum possible score</b>	<b>% of score awarded</b>	<b>Score Awarded</b>
(A) <b>Qualifications of the project team.</b> The applicant has described the project team service providers, their professional credentials, and relevant experience. The description supports that the project team service, equipment, and installation providers have the necessary professional credentials, licenses, certifications, or relevant experience to develop the proposed project.	10		
(B) <b>Agreements and Permits.</b> The applicant has described the necessary agreements and permits required for the project and the schedule for securing those agreements and permits.	5		
(C) <b>Energy or Resource Assessment.</b> The applicant has described the quality and availability of a suitable renewable resource or an assessment of expected energy savings for the proposed system.	10		

**Technical Merit Scoresheet (concluded)**

The 10 subparagraphs which are the basis for evaluation.	Maximum possible score	% of score awarded	Score Awarded
(D) <b>Design and Engineering.</b> The applicant has described the design, engineering, and testing needed for the proposed project. The description supports that the system will be designed, engineered, and tested so as to meet its intended purpose, ensure public safety, and comply with applicable laws, regulations, agreements, permits, codes, and standards.	30		
(E) <b>Project Development Schedule.</b> The applicant has described the development method, including the key project development activities and the proposed schedule for each activity. The description identifies each significant task, its beginning and end, and its relationship to the time needed to initiate and carry the project through to successful completion. The description addresses grantee or borrower project development cashflow requirements.	5		
(F) <b>Project Economic Assessment.</b> The applicant has described the financial performance of the proposed project, including the calculation of simple payback. The description addresses project costs and revenues, such as applicable investment and production incentives, and other information to allow the assessment of the project's cost effectiveness.	20		
(G) <b>Equipment Procurement.</b> The applicant has described the availability of the equipment required by the system. The description supports that the required equipment is available, and can be procured and delivered within the proposed project development schedule.	5		
(H) <b>Equipment Installation.</b> The applicant has described the plan for site development and system installation.	5		
(I) <b>Operations and Maintenance.</b> The applicant has described the operations and maintenance requirements of the system necessary for the system to operate as designed over the design life.	5		



The 10 subparagraphs which are the basis for evaluation.	Maximum possible score	% of score awarded	Score Awarded
(J) Dismantling and disposal of project components. The applicant has described the requirements for dismantling and disposing of project components at the end of their useful lives and associated wastes.	5		
Total Possible Score	100	Total Score Awarded	
$\frac{\text{Total Score Awarded}}{\text{Total Possible Score } 100} = \text{---} \% \times 35 \text{ total possible} = \text{---} \text{ points}$			Points awarded

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

**(5) Readiness (Grants only)**

If the applicant has written commitments, prior to the Agency receiving the complete application, from the source(s) confirming commitment of:

50% up to, but not including, 75% of the matching funds, award 5 points.	Points
75% up to, but not including, 100% of the matching funds, award 10 points.	
100% of the matching funds, award 15 points.	

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

**(6) Small Agricultural Producer/Very Small Rural Business**

If the applicant is an agricultural producer producing agricultural products with a gross market value of:

less than \$600,000 in the preceding year, award 5 points.	
less than \$200,000 in the preceding year, <b>OR</b> is a Very Small Rural Business as defined in 4280.103 (a business with less than 15 employees and less than \$1 million in annual receipts), award 10 points.	

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

<b>(7) Simplified application</b> If an applicant is eligible for and uses the simplified application process or if the project has total eligible project costs of \$200,000 or less, award 5 points.	Points
---	--------

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

<b>(8) Previous grantees and borrowers</b> If the applicant has not been awarded a grant or loan under this program within the 2 previous Federal fiscal years, award 5 points.	Points
--	--------

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

<b>(9) Return on investment</b> If the proposed project will return the cost of investment in	Points
Less than 4 years, award 10 points.	
4 years up to but not including 8 years, award 4 points.	
8 years up to 11 years, award 2 point.	

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.

<b>(10) Loan Rate (Guaranteed Loans only; 4280.129 (e)):</b> If the rate of the loan is below the Prime Rate (as published in the Wall Street Journal) plus 1.5 percent, award 5 points;	Points
OR If the rate of the loan below the Prime Rate (as published in the Wall Street Journal) plus 1 percent, award 10 points.	

Attach the documentation to substantiate this score for this category.  
 You have identified this documentation via tab # \_\_\_\_\_.  
 Your explanation of points awarded to be entered into the tracking system.



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT

**APPLICATION FOR LOAN GUARANTEE**  
(Business and Industry and Section 9006 Program)

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 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 A: Completed By Borrower**

1. AMOUNT OF LOAN  \$ 1,019,150.00		2. NAME OF BORROWER  Green Bean Xpress		3. ADDRESS (Include Zip Code) 420 Trowbridge Way Suite 100 Cary, NC 45106	
4. CONTACT PERSON John Okasa		5. TELEPHONE NUMBER (Include Area Code)		6. TAX ID # OR SOCIAL SECURITY # FOR INDIVIDUALS	
7. PROJECT LOCATION (Town/City) Southern Pines		8. POPULATION 18,570	9. COUNTY York	10. TYPE OF BORROWER <input type="checkbox"/> Proprietorship <input type="checkbox"/> Cooperative <input type="checkbox"/> Partnership <input type="checkbox"/> Indian Tribe <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Political Subdivision	
12. DATE BUSINESS ESTABLISHED 06-12-1996		13. DUNS Number 478123		11. NAICS CODE  15684	
14. a. THIS PROJECT IS <input checked="" type="checkbox"/> An expansion <input type="checkbox"/> New Business <input type="checkbox"/> Refinancing <input type="checkbox"/> Transfer of ownership <input type="checkbox"/> Other  b. JOBS Created _____ Saved _____		15. IF BORROWER IS AN INDIVIDUAL (Item 10 checked proprietorship) A. IS HE OR SHE A VETERAN? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO B. MARITAL STATUS - <input checked="" type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried		16. HAS BORROWER OR RELATED INDIVIDUAL EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	

17. SCHEDULE OF INSTALLMENT DEBTS, CONTRACTS, NOTES AND MORTGAGES PAYABLE CORRELATED TO LATEST BALANCE SHEET DATED 09-21-2010, INDICATE WITH ASTERISK (\*) DEBTS TO BE REPAID WITH PROPOSED USDA GUARANTEED LOAN IF APPLICABLE. (\*Attach additional sheet if necessary.)

CREDITOR	ORIGINAL LOAN AMOUNT	LOAN BALANCE	DATE OF LOAN	INTEREST RATE	MATURITY DATE	M - MONTHLY Q - QUARTERLY A - ANNUAL PAY	CURRENT? Y - YES N - NO	SECURITY
B Bank	\$999,857	\$285,000	02-15-2003	8 %	02-15-2013	M	Y	Equipment
				%				
				%				
				%				
				%				

18. For Existing Businesses Only - Aging of accounts receivable, correlated to latest balance sheet dated \_\_\_\_\_, typical selling terms are:  
 30 Days or Less,  60 Days or Less,  90 Days or Less,  Other (Specify) \_\_\_\_\_  
 30 Days or Less ..... \$ 263,000.00                      61 to 90 Days ..... \$ \_\_\_\_\_  
 31 Days to 60 Days ..... \$ \_\_\_\_\_                      Over 90 Days ..... \$ \_\_\_\_\_

19. PROFESSIONAL SERVICE FEES FOR ENGINEERS, ARCHITECTS, LAWYERS, ACCOUNTANTS, LOAN PACKAGERS, APPRAISERS, PROVIDED IN THE PREPARATION OF THIS APPLICATION (SUBJECT TO USDA APPROVAL)

NAME	SERVICE	FEE/COMPENSATION	SOURCE OF FUNDING
N/A			

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. The time required to complete this information collection is estimated to average 4 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.

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
Susan Bright Biologist	C	F	Y	82,050	38	245,000	Y

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 Vincent Gray

BY John Okasa

TITLE Corporate Attorney; Vaney, Smoot and Mer

TITLE President Green Bean Xpress

DATE



**PART B: Completed By Lender**

1. NAME OF LENDER  A Bank		2. ADDRESS (Include Zip Code) 2841 Juniper Street Cary, NC	
3. LENDER TAX ID NUMBER  000000000000	4. CONTACT PERSON  Calvin Ledbetter	5. TELEPHONE NUMBER (Include Area Code)  (800) 968-5678	
6. IS LOAN WITHIN LENDER'S LEGAL LENDING LIMIT? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	7. GUARANTEE PERCENT REQUESTED? 80 %	8. WHY IS GUARANTEE NEEDED? Lender Required	

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:  
 None

10. LIST ALL FEES LENDER WILL CHARGE FOR THE LOAN, INCLUDING THE USDA GUARANTEE FEE:  
 6,845

11. LENDER'S SERVICING PLAN (FIELD INSPECTIONS, INTERIM STATEMENTS, ANNUAL AUDITS CREDIT ANALYSIS, ETC.):  
 Construction visits, construction management audits and interim statement analysis.

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
Hicello	Biorefinery	\$140,000,000.00	\$85,000,000.00	10-12-2009

13. PROPOSED KEY EMPLOYEE LIFE INSURANCE, EMPLOYEE NAME(S) AND AMOUNT(S)

Quan Okaska 2,000,000	Assigned to Guaranteed Loan? Y
	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	\$139,000	Cash			\$139,000
Inventory	\$269,100	Actual	20		\$215,280
Office Furniture and Equipment	\$15,200		80		\$3,040
Automotive Equipment					\$0
Machinery and Equipment	\$915,150	Purchased	40		\$549,090
Building	\$400,000	Appraised	20		\$320,000
Land	\$150,000	Appraised	20		\$120,000
Other:					\$0
<b>TOTALS</b>	<b>\$1,888,450</b>			<b>\$0</b>	<b>\$1,346,410</b>

\* Indicate by asterisk liens to be paid off with USDA guaranteed loan funds

15.	Project Purpose and Funding	Borrower Contribution	USDA Guaranteed Loan	Other Funds	Total
	Working Capital	\$100,000			\$100,000
	Office Furniture and Equipment				\$0
	Automotive Equipment				\$0
	Machinery and Equipment		\$915,150		\$915,150
	Real Estate	\$0			\$0
	Debt Restructuring	\$0			\$0
	Fees: Professional, USDA Guarantee	\$4,000			\$4,000
	Other				\$0
	<b>TOTAL</b>	<b>\$104,000</b>	<b>\$915,150</b>	<b>\$0</b>	<b>\$1,019,150</b>

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
	Five Year Loan	\$915,150		8%	WSJ	Year	Y 60	\$18,556.00
	<b>TOTAL</b>	<b>\$915,150</b>						<b>\$18,556.00</b>

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: \$ 104,000.00
	Common Stock	Equity in real property: \$ 440,000.00
	Preferred Stock	TOTAL EQUITY: \$ 544,000.00
	Retained Earnings	
	Capital Surplus	Total Eligible Project Cost: \$ 1,019,150.00
	Other *	Equity percentage: (=Total Equity/Total Project Cost) 53.3778 %
	TOTAL \$0.00	USDA use: 15% Equity if loan <= \$600,000 <input type="checkbox"/> OK 25% Equity if loan > \$600,000 <input checked="" 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.

A Bank  
\_\_\_\_\_  
*Lender's Name*

09-21-2010  
\_\_\_\_\_  
*Date*

By: \_\_\_\_\_  
*Officer Signature*

Loan Officer  
\_\_\_\_\_  
*Officer Title*

**APPLICATION FOR  
FEDERAL ASSISTANCE**

<b>1. TYPE OF SUBMISSION:</b> Application		<b>2. DATE SUBMITTED</b> 9/21/2010	Applicant Identifier
<input checked="" type="checkbox"/> Construction	Pre-application	<b>3. DATE RECEIVED BY STATE</b> 9/21/2010	State Application Identifier
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>4. DATE RECEIVED BY FEDERAL AGENCY</b> 9/21/2010	Federal Identifier
<b>5. APPLICANT INFORMATION</b>			
Legal Name: Even Blither Wind Farm		<b>Organizational Unit:</b> Department:	
Organizational DUNS:		Division:	
<b>Address:</b> Street: 2842 Farmdale Lane City: Rockdale County: Leatherstocking State: New York Zip Code 12431-0001		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b> Prefix: First Name: Robert Middle Name: Kevin Last Name: Blither Suffix:	
Country: USA		Email: N/A	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> [X][X]-10000007		Phone Number (give area code) 201-123-5689	Fax Number (give area code) 201-123-5699
<b>8. TYPE OF APPLICATION:</b> <input checked="" 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.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) Farmer, Orchard and Vineyard Other (specify)	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): [X][X]-123		<b>9. NAME OF FEDERAL AGENCY:</b> Rural Development	
<b>12. AREAS AFFECTED BY PROJECT</b> (Cities, Counties, States, etc.): Rockdale, NY		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Small wind farm 28kW	
<b>13. PROPOSED PROJECT</b> Start Date: 3/25/2011 Ending Date: 11/05/2011		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant 01 b. Project 01	
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ 41,000 <sup>00</sup>	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$ 126,000 <sup>00</sup>	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$ . <sup>00</sup>	<input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$ . <sup>00</sup>	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
e. Other	\$ . <sup>00</sup>	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$ . <sup>00</sup>		
g. TOTAL	\$ 167,000 <sup>00</sup>		
<b>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.</b>			
<b>a. Authorized Representative</b>			
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																		
E. Interstate	M. Profit Organization																		
F. Intermunicipal	N. Other (Specify)																		
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"> <li>• "New" means a new assistance award.</li> <li>• "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.</li> <li>• "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> </li> </ul>	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.																		

# Community Facilities

- Public Safety
- Health Care
- Education
- Public Buildings
- Know Your Farmer Know Your Food

[http://www.rurdev.usda.gov/HCF\\_CF.html](http://www.rurdev.usda.gov/HCF_CF.html)

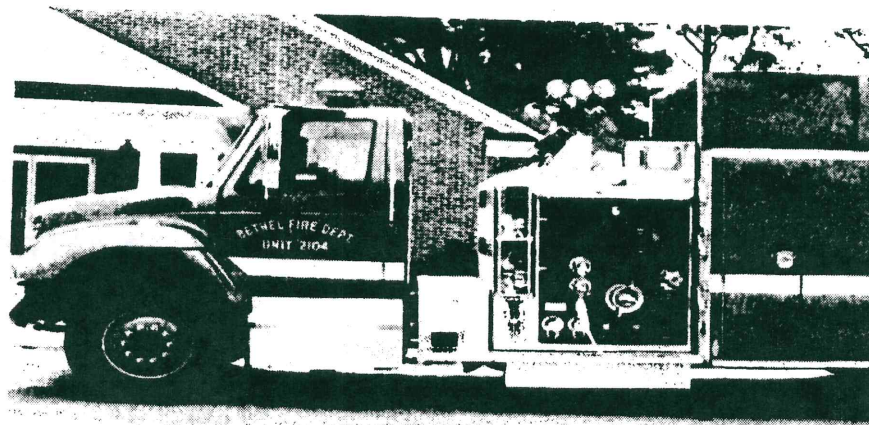


Committed to the future of rural communities.



# Public Safety

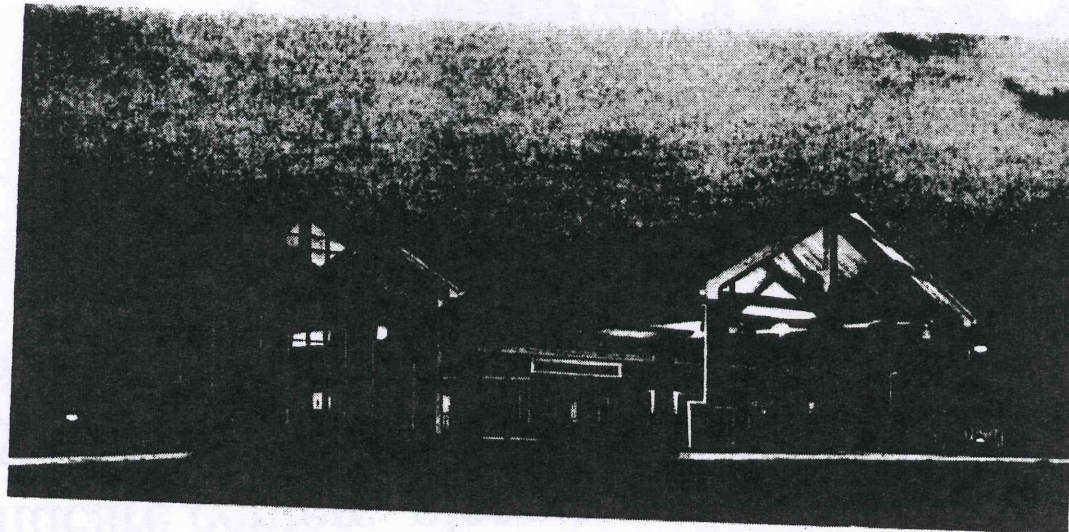
Fire trucks, communication centers, emergency equipment, police and fire stations, rescue vehicles, emergency generators, and warning sirens.



Committed to the future of rural communities.

# Health Care

Hospitals, medical clinics, rehabilitation centers, group homes, assisted living facilities, nursing homes and medical equipment.

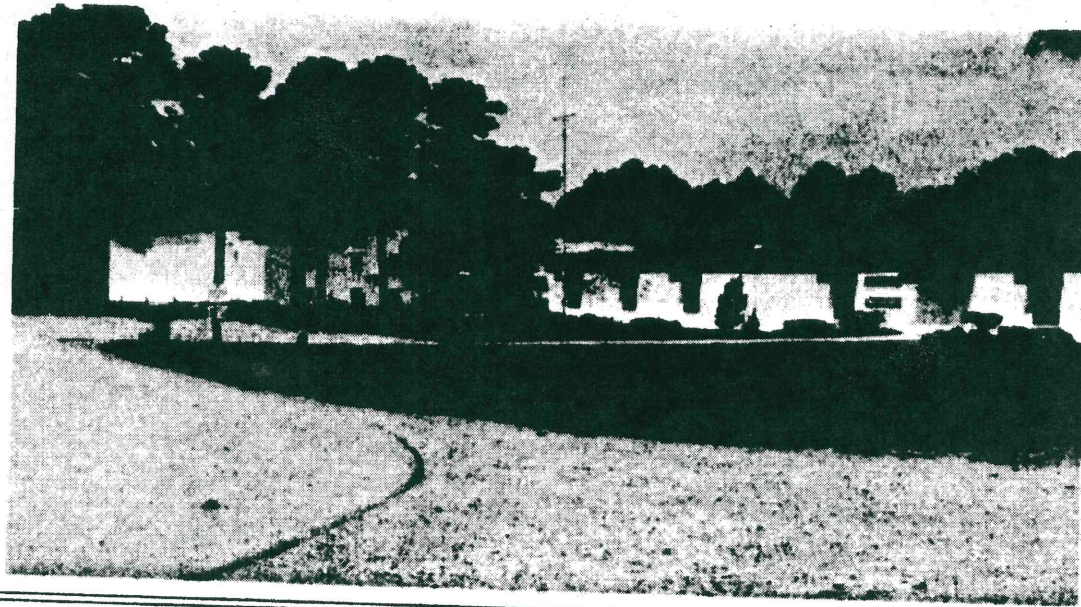


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# Education

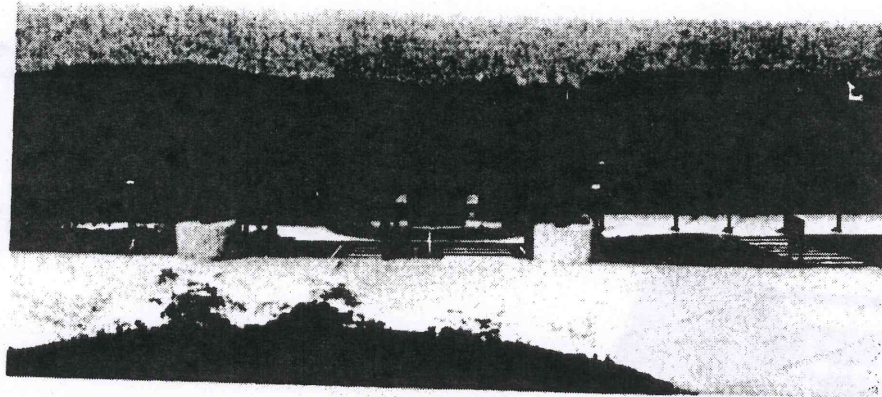
Childcare centers, classroom equipment, outdoor play equipment, learning centers, and college classrooms.



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# Public Buildings

Libraries, food pantries, museums, adult day care centers, city halls, courthouses, community centers, homeless shelters, airports, street improvements, fairgrounds, community recreational facilities, animal shelters and Industrial park sites.

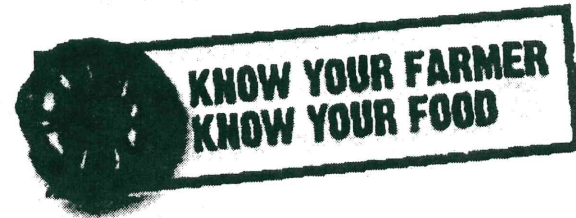


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# Know Your Farmer Know Your Food

KYF2



- Promotes locally/regionally produced food
- Expands access to affordable fresh and local food
- Stimulates community economic development
- Cultivates healthy eating habits

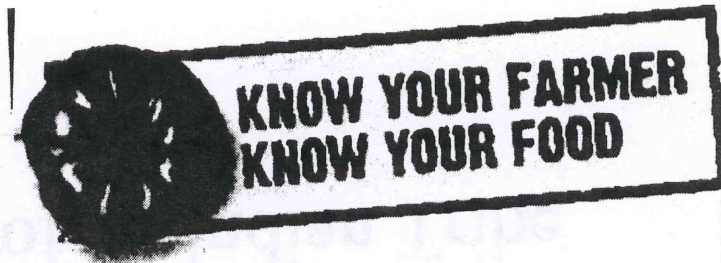
[www.usda.gov/knowyourfarmer](http://www.usda.gov/knowyourfarmer)



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# Know Your Farmer Know Your Food

## KYF2



Examples of fund usage:

- Food banks, pantries, distribution centers
- Farmers markets
- School cafeterias
- Community gardens
- Community kitchens



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# Community Facilities Eligibility

- Essential Community Facility
- Located in eligible Rural Area – 20,000 population or less
- Public Body – Nonprofit – Indian Tribe
- Other credit



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# **Community Facilities Eligibility**

- **Essential Community Facility**
- **Located in eligible Rural Area – 20,000 population or less**
- **Public Body – Nonprofit – Indian Tribe**
- **Other credit**



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# **Community Facilities Other Considerations**

- **Recreational Facilities (guarantees only)**
- **No Commercial Enterprises**
- **Facilities must be modest in size, type and design**
- **Environmental Assessment**



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# Application Processing

- Community Facilities uses a preapplication process
  - Determine basic eligibility
  - Determine funding availability
  - Determine guarantee/loan/grant mix
- Contact the Rural Development Office in your state for further information



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# Community Facilities Guaranteed Loans

- 90% federal guarantee
- No maximum loan limit
- Interest rates and terms are negotiated between the lender and borrower
- Marketable to the secondary market allowing long-term fixed rates
- Combine with a CF direct loan or grant as needed to make the project feasible



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# Community Facilities Guaranteed Loan Application



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United States  
Department of  
Agriculture

Rural  
Development



# COMMUNITY FACILITIES GUARANTEED LOAN PROGRAM

## Lender's Handbook

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## Introduction

Through USDA Rural Development's **Community Facility (CF) Guaranteed Loan Program**, we partner with private lenders to finance public facilities in rural areas.

To assist lenders in utilizing the program, we are pleased to provide you with this Lender's Handbook. It contains information about the program, the advantages of utilizing the program, as well as streamlined processing guides.

We can also arrange to give a presentation about the program to you in your office. We look forward to working with you to help develop a variety of projects, such as:

### Health Care

- ✓ Health Clinics
- ✓ Assisted and Skilled Living Facilities
- ✓ Hospitals
- ✓ Mental Health Providers
- ✓ Medical Rehabilitation
- ✓ Group Homes for People with Disabilities
- ✓ Mobile Transportation Units and Telemedicine

### Fire, Rescue and Public Safety

- ✓ Fire Department Buildings
- ✓ Fire Trucks
- ✓ Fire Protection Equipment
- ✓ Rescue and Ambulance Facilities and Vehicles
- ✓ Equipment and Vehicles
- ✓ Early Warning Systems
- ✓ Civil Defense Buildings
- ✓ Police Stations, Vehicles, and Jails

### Educational & Cultural

- ✓ Schools
- ✓ Community Colleges
- ✓ Charter Schools
- ✓ Communication Centers
- ✓ Vocational Schools
- ✓ Libraries
- ✓ Dormitories

### Community Support Services

- ✓ Child Care
- ✓ Adult Daycare
- ✓ Food Processing, Storage, Distribution Centers
- ✓ Homes for At-Risk Youths
- ✓ Homeless Shelters
- ✓ Multipurpose Community Centers

### Public Buildings/ Infrastructure

- ✓ City Halls
- ✓ Court Houses
- ✓ Street Improvements
- ✓ Bridges
- ✓ Maintenance Equipment
- ✓ City Bus Services
- ✓ Municipal Garages
- ✓ Port Authorities
- ✓ Airport Facilities
- ✓ Dams, Drainage, and Levee Districts



## Program Overview

**"Providing up to a 90% guarantee to lenders for financing essential community facilities"**

### ELIGIBILITY

**Eligible Entities:** Funds are available to public bodies, not-for-profit organizations, and Indian tribes.

**Eligible Areas:** Loans may be made in a city, town, or unincorporated area that has a population of not more than 20,000 inhabitants. Data from the most recent decennial census will be used in determining populations.

**Eligible Lenders:** Eligible Lenders include Federal or State chartered banks, thrifts, the Bank for Cooperatives, National Rural Utilities Cooperative Finance Corporation, Farm Credit System, insurance companies regulated by a State or National insurance regulatory agency, and State bond banks or State bond pools. Eligible Lenders must be subject to credit examination and supervision by an appropriate agency of the United States or a State that supervises and regulates credit institutions. A Lender of Record must have the capacity and authority to adequately service loans through maturity for which a guarantee is requested.

### RATES, TERMS, AND FEES

**Rates:** The applicant and the lender negotiate the interest rate. The interest rate may be either fixed or variable. Variable rates must be tied to a published index and may not adjust more than quarterly.

**Terms:** The repayment period is limited to the useful life of the facility, but the maximum term for all loans in the community facilities program is 40 years.

**Fees:** Rural Development charges the lender a guarantee fee, which may be passed on to the borrower and is normally included in the loan. The guarantee fee is calculated on one-percent (1%) of the guarantee amount. The one-time guarantee fee is paid when the Loan Note Guarantee is requested. There is no annual renewal fee.

### COLLATERAL

Borrowers must pledge sufficient assets to ensure repayment of the loan. The security may include any combination of the following: real estate,

machinery & equipment, assured income, or accounts receivable. Tax-exempt notes or bonds cannot be used as security for a guaranteed loan.

### USE OF LOAN PROCEEDS

Loan funds from a CF guaranteed loan may be used to construct, enlarge, or otherwise improve community facilities for healthcare, public safety, and public services. Most project costs are eligible including:

- Construction (new or renovation)
- Land
- Legal, Architectural, or other related fees
- Equipment and Fixtures

Refinancing is limited to less than 50% of the total loan, and the debt must have been incurred for the facility being financed. Generally, working capital is not an eligible expense; however, some initial operating expenses may be included in the loan.

### GENERAL REQUIREMENTS

**Feasibility:** Loan repayment must be based on tax assessments, revenues, fees or other sources sufficient for the operation and maintenance, reserves, and debt retirement. Financial feasibility studies prepared by an independent consultant are normally required for start-up facilities or those that will result in a significant change in the borrower's financial operations.

**Environmental:** Facilities financed with these funds are subject to review under the National Environmental Policy Act (NEPA). The Agency will provide guidance on the environmental review process.

### FUNDING AVAILABILITY

Guaranteed financing remains a priority for USDA Rural Development, as guaranteed loan funds generate a multiplier affect on congressional budget authority and the tax payer's dollars and allows USDA to invest in more rural communities and essential community facilities than direct loan or grant funds.

## Lender Benefits

Guaranteed Community Facility financings result in excellent public relations with the community. As the lender is providing financing for community projects, there is a much higher probability for additional financing within the community from business development generated through the infrastructure enhancement and stability.

- Loans are guaranteed by the USDA against loss for up to 90 percent of the loss.
- Guaranteed Community Facilities loans are eligible to meet CRA (Community Reinvestment Act) requirements of Commercial Banks and Savings & Loan institutions.
- Reduction in capitalization requirements: Once the guarantee is in place, the guaranteed portion carries a risk weighting of 20% (i.e. Assuming a capital target of 10%: \$1,000,000 guaranteed portion X 20% risk weighting X 10% capital target = \$20,000 capital allocation vs. \$100,000 capital allocation without the guarantee).
- Loans may be sold on the secondary market through an assignment of guarantee, increasing the Lender of Record's return on investment. Secondary Market purchase of the guaranteed portion carries a risk weighting of 0%. (i.e. Assuming a capital target of 10%: \$1,000,000 X 0% risk weighting X 10% capital target = \$0 capital allocation vs. \$100,000 capital allocation without the guarantee).
- Lenders of Record use their own forms, loan documents, and security instruments.
- There is no maximum loan limit; the amount is determined based upon project feasibility, repayment ability, and reasonable project cost; however, when demand is high, projects requiring less budget authority will take precedence over substantially larger requests.
- The only USDA fee is a one-time 1% guarantee fee assessed against the guaranteed portion, with no annual renewal fee. This fee is payable upon the release of the USDA loan note guarantee. (Face Amount X 90% Guaranteed X 1% Guarantee Fee).
- Rates and terms are flexible, and are negotiated between the Lender of Record and the borrower. The Lender of Record may split the interest rates charging a higher rate for the non-guaranteed portion than for the guaranteed portion.
- Typically, loan approval occurs 30-60 days after the receipt of a completed application.



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## The Application Process

The Community Facilities Guaranteed Loan Program is a lender-driven program. When a lender is considering a loan or bond to a nonprofit in a rural area, we encourage you to contact us to discuss the project on an informal basis. We can at least give a tentative indication as to the general eligibility of the project for a guarantee.

The lender has the option of completing a full application (without a preapplication) or requesting an eligibility determination by submitting a preapplication. When a preapplication is submitted, USDA will respond to the lender with an eligibility determination and request that a full application be submitted. The preapplication/application requires information from both the lender and the applicant.

**Only two Agency forms are required with the submission of a full application . . .** (see Page 7). You will find the forms (most in a fillable version) available on the web at: <http://forms.sc.egov.usda/eforms/mainervlet> or <http://www.rurdev.usda.gov/regs/formstoc.html>

The following steps are how a typical application would be approved:

- Step 1:** Lender of Record and borrower submit joint pre-application to determine eligibility.
- Step 2:** RD field staff meets with all parties at project site (typically within 15 days) to make a preliminary eligibility determination and address any environmental issues.
- Step 3:** The Lender of Record and Borrower submit a complete application.
- Step 4:** Simultaneously, RD conducts a financial credit evaluation and an environmental assessment.
- Step 5:** Typically, issuance of the Conditional Commitment for Guarantee takes approximately 30-60 days from the date of a complete application, depending upon the nature, scope, and complexity of the project. .
- Step 6:** If approved, RD obligates funds and issues a Conditional Commitment for Guarantee.
- Step 7:** The Lender of Record then provides the interim construction financing for development of the project.
- Step 8:** After construction is completed and the facility is operational, the Lender of Record requests RD to review the completed project and, if acceptable provide the Loan Note Guarantee.
- Step 9:** RD verifies that conditions are met and issues the Loan Note Guarantee.

(Note: Lenders of Record may submit a complete application instead of a pre-application; however the pre-application provides some positive feedback to the community.)

### **Contents of a CF Guaranteed Loan Preapplication (optional)**

Lenders that wish to obtain an eligibility determination on a CF Guaranteed Loan should provide the following preapplication information to USDA Rural Development:

- 1. Form SF 424.2, Application for Federal Assistance.**
- 2. Cover letter from lender indicating it is not willing to fund the proposed project without the guarantee.**
- 3. Historical (audits) and projected financial statements.**
- 4. Applicant's organization documents (Articles of Incorporation and By-laws) and a list of the Board of Directors/Officers.**
- 5. Copy of any debt instrument for which the applicant is currently liable.**
- 6. Proposed sources and uses of funds.**
- 7. Site Information (including location).**
- 8. Evidence of Community Support from the affected local government body.**



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## **Contents of a CF Guaranteed Loan Application**

Lenders that have been encouraged by USDA to apply must submit the following information.

- 1. Form RD 3575-1, Application for Loan Guarantee.**
- 2. Applicant's organizational documents (Articles of Incorporation and By-laws) and a list of the Board of Directors/Officers.**
- 3. Cover letter from lender indicating it is not willing to fund the proposed project without the guarantee.**
- 4. Evidence of community support from the affected local government body.**
- 5. Current and previous year's financial and income statements.**
- 6. Projected income statement.**
- 7. Narrative statement describing organization's services, scope of operation, geographical area served, and any management agreements or leases.**
- 8. Copy of the proposed loan agreement.**
- 9. Form RD 1940-20, Request for Environmental Information.**
- 10. Preliminary plans and cost estimates (including contingency funds).**
- 11. Projected sources and uses of funds.**
- 12. Lender's credit analysis.**
- 13. Appraisal report or value of security available for loan.**
- 14. Financial feasibility report (if required by USDA).**
- 15. Any required Regulatory Certifications (Certificate of Need, etc.)**

## Request for Loan Note Guarantee

**Lenders are to submit this certification, with the proper attachments, when requesting the Loan Note Guarantee from USDA Rural Development.**

Borrower's Name:	Closing Date:
------------------	---------------

1. No major changes have been made in the lender's loan conditions and requirements since submission of the application (except those approved in the interim by the Agency in writing).
2. All insurance requirements are in effect.
3. Truth in lending requirements have been met.
4. All equal employment opportunity and equal credit and nondiscrimination requirements have been met.
5. The loan has been properly closed and the required security instruments have been obtained.
6. Liens have been perfected and priorities are consistent with requirements of the Conditional Commitment.
7. Loan proceeds have been disbursed for purposes and in amounts consistent with the Conditional Commitment and as specified on the loan application.
8. There have been no material adverse changes in the borrower's condition, financial or otherwise, since submission of the application.
9. The lender understands and will meet the requirements of the Debt Collection Act (chapter 37 of title 31 of the United States Code).
10. All environmental mitigation measures have been complied with (if any).
11. All other requirements specified in the Conditional Commitment have been met.

The undersigned lender certifies that the above requirements have been met.

Signature of Lender's Representative	Date
Name and Title	
<p><b>Note:</b> Along with this form, submit the following, as appropriate:</p> <ol style="list-style-type: none"> <li>a. Guarantee Fee</li> <li>b. Copy of executed promissory note and loan agreement.</li> <li>c. Security Instruments (Deed of Trust, UCC-1, etc.) Include Title Insurance or loan closing opinion to verify lien position.</li> <li>d. Form RD 1980-19, Guaranteed Loan Closing Report.</li> <li>e. Form RD 449-35, Lender's Agreement</li> <li>f. Final Inspection/Certificate of Occupancy.</li> <li>g. Advise the Agency of plans to sell or assign any part of the loan</li> <li>h. Any other documentation required in the Conditional Commitment.</li> </ol>	



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## **Forms Reference Guide**

### **Application Forms**

- SF 424.2 Application for Federal Assistance (for pre-application only)
- RD 1940-20 Request for Environmental Information
- RD 3575-1 Application for Loan and Guarantee

### **Approval Forms**

- RD 449-14 Conditional Commitment for Guarantee
- RD 1940-3 Request for Obligation of Funds - Guaranteed Loans

### **Closing Forms**

- RD 449-34 Loan Note Guarantee
- RD 449-35 Lender's Agreement
- RD 1980-19 Guaranteed Loan Closing Report

### **Servicing Forms**

- RD 1980-41 Guaranteed Loan Status Report
- RD 449-30 Loan Note Guarantee-Report of Loss
- RD 449-36 Assignment Guarantee Agreement
- RD 1980-7 Notification of Transfer and Assumption of a Guaranteed Loan
- RD 1980-44 Guaranteed Loan Borrower Default Status

For all forms, visit our web site at  
<http://forms.sc.egov.usda.gov/eforms/mainervlet>  
or  
<http://www.rur.dev.usda.gov/regs/formstoc.html>

**APPLICATION FOR  
FEDERAL ASSISTANCE**

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		<b>2. DATE SUBMITTED</b> May 16, 2007	Applicant Identifier
<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>3. DATE RECEIVED BY STATE</b> 5-17-2007 <i>ryl</i>		State Application Identifier
<b>5. APPLICANT INFORMATION</b>		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b> 5-17-2007 <i>ryl</i>	
<b>Legal Name:</b> Jane Does It, Inc.		<b>Organizational Unit:</b> Department:	
<b>Organizational DUNS:</b> 1234567		Division:	
<b>Address:</b> Street: 1234 Street St.		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b> Prefix: Mrs. First Name: Jane	
City: Columbia	Middle Name		
County: Boone	Last Name DOE		
State: Missouri	Zip Code 65211	Suffix:	
Country: USA	Email: jane.doe@doe.com		
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b>		Phone Number (give area code) (573)-882 - 1111	Fax Number (give area code) (573)-882-1111
<b>8. TYPE OF APPLICATION:</b> <input checked="" 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.) Other (specify)		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) Profit Organization Other (specify)	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program):		<b>9. NAME OF FEDERAL AGENCY:</b>	
<b>12. AREAS AFFECTED BY PROJECT</b> (Cities, Counties, States, etc.): Counties within the state of Missouri.		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Value Added Opportunities for Quality Bred Heifers	
<b>13. PROPOSED PROJECT</b> Start Date: September 1, 2007 Ending Date: October 31, 2008		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant 9th b. Project 9th	
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ 90,500.00	a. Yes <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$ 90,500.00	b. No <input checked="" 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	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
e. Other	\$ .00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$ .00	<b>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.</b>	
g. TOTAL	\$ .00	<b>a. Authorized Representative</b>	
Prefix: Mrs. First Name: Jane		Middle Name	
Last Name: DOE		Suffix	
<b>b. Title</b> Secretary/Treasurer		c. Telephone Number (give area code)	
<b>d. Signature of Authorized Representative</b> <i>Jane Doe</i>		e. Date Signed: 5-16-07	

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Standard Form 424 (Rev.9-2003)  
Prescribed by OMB Circular A-102



**BUDGET INFORMATION - Non-Construction Programs**

OMB Approval No. 0348-0044

<b>SECTION A - BUDGET SUMMARY</b>							
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget			
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)	
1. VAPG	10.352	\$	\$	\$ 215,823.00	\$ 215,823.00	\$ 431,646.00	
2.						0.00	
3.						0.00	
4.						0.00	
5. Totals		\$ 0.00	\$ 0.00	\$ 215,823.00	\$ 215,823.00	\$ 431,646.00	
<b>SECTION B - BUDGET CATEGORIES</b>							
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)	
	(1)	VAPG	(2)	Match	(3)		(4)
a. Personnel	\$	138,244.00	\$	138,244.00	\$	\$ 276,488.00	
b. Fringe Benefits		42,579.00		42,579.00		85,158.00	
c. Travel		18,000.00		18,000.00		36,000.00	
d. Equipment						0.00	
e. Supplies		17,000.00		17,000.00		34,000.00	
f. Contractual						0.00	
g. Construction						0.00	
h. Other						0.00	
i. Total Direct Charges (sum of 6a-6h)		215,823.00		215,823.00	0.00	0.00	431,646.00
j. Indirect Charges							0.00
k. TOTALS (sum of 6i and 6j)	\$	215,823.00	\$	215,823.00	\$ 0.00	\$ 0.00	\$ 431,646.00
7. Program Income		\$	\$	\$	\$	\$	0.00

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. VAPG	\$ 215,823.00	\$	\$	\$ 215,823.00	
9.				0.00	
10.				0.00	
11.				0.00	
12. TOTAL (sum of lines 8-11)	\$ 215,823.00	\$ 0.00	\$ 0.00	\$ 215,823.00	
SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 215,722.92	\$ 53,855.73	\$ 53,955.73	\$ 53,955.73	\$ 53,955.73
14. Non-Federal	215,822.92	53,955.73	53,955.73	53,955.73	53,955.73
15. TOTAL (sum of lines 13 and 14)	\$ 431,545.84	\$ 107,811.46	\$ 107,911.46	\$ 107,911.46	\$ 107,911.46
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.VAPG	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges: Direct Total = \$215,823.00		22. Indirect Charges: None			
23. Remarks: Matching Total = \$215,823.00					



**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 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 (0348-0040), 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.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (Identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE	
<i>Jane Doe</i>		<i>Secretary / Treasurer</i>	
APPLICANT ORGANIZATION		DATE SUBMITTED	
<i>Jane Does It, Inc</i>		May 16, 2007	