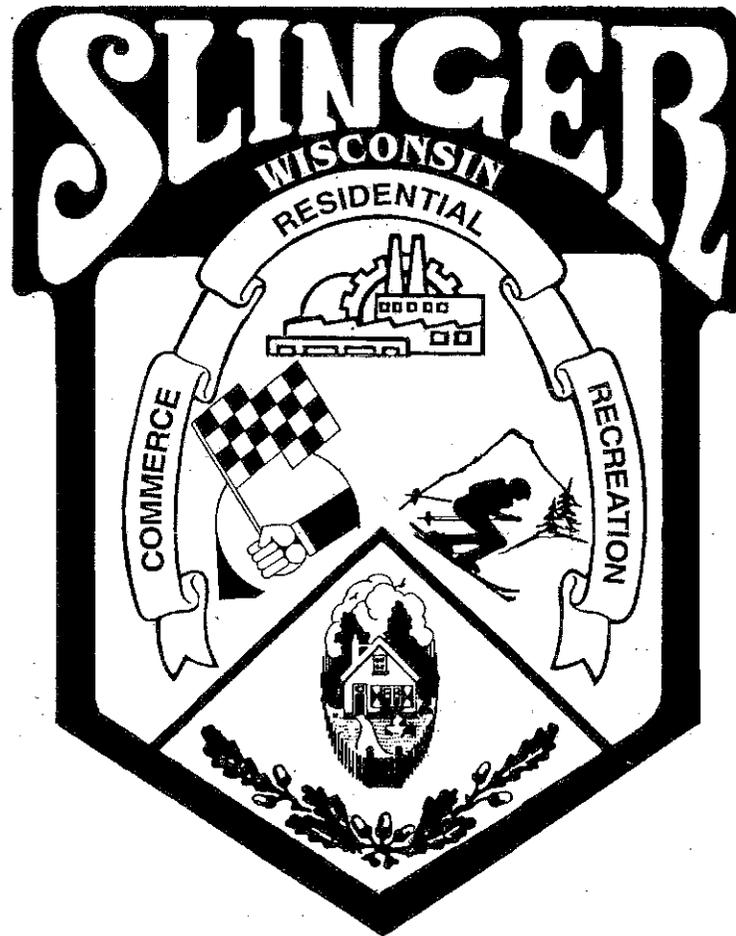


**VILLAGE OF SLINGER/
SLINGER UTILITIES
REVOLVING LOAN FUND MANUAL**



Approved 8/3/10
Revised 12/19/11

PROGRAM OBJECTIVE:

The United States Department of Agriculture (USDA) provides funds to eligible rural electric utilities to promote rural economic development and job creation projects. The Village of Slinger/Slinger Utilities revolving loan fund was created with funds provided through the USDA Rural Economic Development Loan and Grant Program as well as funds from the Village of Slinger/Slinger Utilities.

POLICY STATEMENT:

The Village of Slinger/Slinger Utilities will accept and consider applications for loans from the RLF for projects that will significantly benefit rural areas, without restriction to the service area or any other area.

The Village of Slinger/Slinger Utilities will not condition the approval of a loan from the RLF with the requirement that the prospective recipient take electric service from the Village of Slinger/Slinger Utilities or any other associated electric utility.

The Board of Trustees of the Village of Slinger/Slinger Utilities is the sole authority for approval or denial of loans from the RLF and is responsible for all decisions and actions of the RLF. The RLF will be operated and maintained solely by the Village of Slinger/Slinger Utilities.

It is the intent of the Village of Slinger/Slinger Utilities that funds from the RLF program serve as seed money to generate economic development. The Village of Slinger/Slinger Utilities will work with local lenders and others to maximize the leverage of the RLF dollars so that the result is the maximum possible economic development. It is further intended that the Village of Slinger/Slinger Utilities use the RLF program to supplement, but not compete with, capital that may already exist.

Applicants shall not be disqualified based on age, race, religion color, handicap, sex, physical condition, developmental disability, sexual orientation or national origin.

ELIGIBLE APPLICANTS:

- Business Ventures, including:
Corporations, Partnerships, Sole Proprietorships, Cooperatives
- Governmental Units, including:
Local Townships, Villages, Cities, Counties or Regional Authorities
- Nonprofit Entities
- Tribal Authorities

TYPES OF PROJECTS ELIGIBLE FOR RLF FUNDING:

Projects must create or retain employment or provide needed community facilities and services such as:

- Industrial/Commercial Development
- Small Business Expansion or Startup
- Business Incubators
- Community Infrastructure
- Community Facilities
- Medical Facilities
- Training/Educational Facilities
- Tourism

TYPES OF PROJECTS/ACTIVITIES INELIGIBLE FOR RLF FUNDING:

- Refinancing of existing debt, or payment to business owners or partners;
- Projects without any supplemental financing;
- Activities determined to be for investment purposes;
- General improvement loans related to normal replacement needs of a business and unrelated to business expansion/job creation;
- Agricultural production costs (i.e., cultivation, production, harvesting);
- Vehicles used for general purposes or that may be considered for personal use;
- Projects that are primarily working capital with limited security;
- Construction projects of an individual residential nature;
- Illegal activities and legalized activities (e.g. gambling casinos) that in the opinion of the Board of Trustees adversely affect RLF interests;
- Projects in which any director, officer, general manager, or supervisory employee of the Intermediary, or close relative thereof, has a financial interest; projects in which any subsidiary or affiliated organization of Village of Slinger/Slinger Utilities has a financial interest; or projects which, based on the judgment of the Board, would create a conflict of interest, potential for conflict of interest, or any appearance of a conflict of interest.

TYPES OF FINANCING AVAILABLE:

Fixed Asset Financing including:

- Land, buildings, manufacturing equipment, office and work equipment.
- Infrastructure improvements.

Working Capital Financing:

- Available in a limited amount only in conjunction with other RLF financing.

LOAN TERMS AND CONDITIONS:

- **Amount.** The maximum amount of a single loan may not exceed \$100,000. The minimum RLF loan amount is \$10,000.
- **Interest Rates.** The interest rate is the prevailing prime rate as published in the Wall Street Journal.
- **Servicing Fee.** A servicing fee will be applicable for all loans. The fee will be no more than one percent (1%) per year of the outstanding principal loan balance on the first day of each year of the loan and will be used to cover administration costs in connection with operation of the RLF. Annual budgets will be submitted to Rural Development Business Programs setting forth the costs of operating the RLF.
- **Legal Fees.** The loan recipient will reimburse the Village of Slinger/Slinger Utilities for all loan closing and legal fees incurred by the Village of Slinger/Slinger Utilities in connection with the loan.
- **Repayment Terms.** Repayment terms will not exceed ten (10) years. The following maturities will be used as a general guideline:
 - Building 10 years
 - Real Estate 10 years
 - Equipment 5 to 7 years or depreciable life
 - Working Capital 1 to 3 years

The loan committee will provide a recommendation on term options and loan repayment schedules (annual, quarterly, monthly) on a project-by-project basis.

- **Supplemental Financing.** RLF loans are limited to financing 50% of a project. Supplemental financing of 50% will be required. Evidence of availability of supplemental financing will be required prior to advance of RLF funds.
- **Security.** The Village of Slinger/Slinger Utilities will work with the potential borrower to obtain security that is adequate for the term of the loan. The nature of the collateral pledged shall be determined by the RLF Committee on a project-by-project basis. Generally, security will consist of a first lien position on real property. If the same collateral is used in joint financing, the RLF will require a parity position with other lenders. Other types of security may include:
 - Letters of credit from acceptable financial institutions;
 - Machinery and equipment which have a developed market;
 - Accounts receivable and inventory for short-term loans; and
 - Securities issued by the Federal government or its agencies.

The loan recipient will be required to maintain fire insurance, and flood insurance if necessary, on secured assets. In some cases, credit life or key man insurance will be required with the RLF as loss payee.

Personal guarantees from partners or majority stockholders may be required for all corporate or partnership borrowings where the equity requirement is not met by cash.

APPLICATION PROCESS:

All applicants for RLF funding will be required to complete an application form, providing verifiable data which demonstrates that their proposed projects are economically feasible, sustainable, and will provide benefits to rural areas, either through job creation or infrastructure improvements. The applicant will be required to appear before the RLF Committee and possibly before the Village of Slinger/Slinger Utilities Board of Trustees. (See page 7 sample.)

APPLICATION SELECTION PROCESS:

The loan application will be reviewed by the RLF Committee. The RLF Committee will make its recommendation to the Village of Slinger/Slinger Utilities Board of Trustees. Final approval resides with the Village of Slinger/Slinger Utilities Board of Trustees.

To be eligible for funding, a proposed project must meet all of the following minimum requirements:

- **Private Funds Leveraged.** One dollar of private sector investment shall be provided for each dollar of RLF investment. Private sector investment is defined as financing from a private lending institution, public sector business loan programs, or new equity that is part of the expansion project.
- **Cost Per Job.** A minimum of one full-time equivalent (FTE) job shall be created or retained for each \$10,000 of RLF funds requested.
- **Financial Feasibility and Business Viability.** The applicant shall demonstrate that the proposed project is viable and that the business has the economic ability to repay the funds.
- **Compliance with Applicable Laws.** Applicants shall comply with all applicable local, State and Federal laws and codes.
- **Project Completion.** All projects shall be completed, all funds expended, and all jobs created and/or retained within 24 months from the date of the RLF loan approval.

CLOSING AND DISBURSEMENT PROCESS:

At closing or prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

- **Notice of Award.** The Village of Slinger/Slinger Utilities Board of Trustees must have reviewed and approved a complete application for an eligible applicant.
- **Loan Agreement.** The Village Attorney shall prepare a loan agreement, which shall be executed by representatives of each party. (See page 12 sample.)
- **Promissory Note.** A promissory note shall be prepared by the Village Attorney and signed by the appropriate parties. It must reference the agreement between the parties and it must specify the amount and terms of the loan. (See page 26 sample.)
- **Security.** Mortgage or lien instruments or personal guarantees provided as security for all loans shall be prepared by the Village Attorney and executed at the time of the loan closing. (See page 12 sample.)
- **Repayment Schedule.** A loan repayment or amortization schedule shall be prepared. The repayment schedule shall be dated and signed by both parties. At that time, the repayment schedule shall be attached to both parties' copies of the agreement.
- **Evidence of Expenditures.** As appropriate or necessary, documentation shall be provided to evidence expenditures prior to the release of funds. Documentation can include bills and invoices or receipts for materials, final bills of sale or canceled checks.
- **Other Documentation.** As appropriate or necessary, the borrower may be asked to provide the following:
 - A certificate of status from the Department of Financial Institutions.
 - The Articles of Incorporation and by-laws.
 - Current financial statements.
 - Evidence of having secured other funds necessary for the project.

All documents will be executed before funds are disbursed, and mortgages and UCC Statements shall be recorded with the Register of Deeds.

LOAN MONITORING:

Village of Slinger/Slinger Utilities will require regular reporting by the loan recipient. This will include at the option of the Village of Slinger/Slinger Utilities any or all of the following:

- **Annual income statements and balance sheets.** Depending on the nature of the project and security arrangements, the Village of Slinger/Slinger Utilities reserves the right to require the submission of annual financial reports as audited by a certified public accountant.
- **Periodic management information reports.** Management reports will be required on a semi-annual basis beginning six months after the advance of loan funds and continuing semi-annually thereafter for a period of 10 years or until completion of the project, whichever is the later period. Management reports will include: information on the number of jobs created or retained during the reporting period; a comparison of accomplishments during the reporting period to the objectives established for the project, and a description of any problems, delays, or adverse conditions which will materially affect the attainment of planned project objectives and a statement of action taken or contemplated to resolve the situation.

- **Telephone contact and site visits.** At a minimum, semi-annually, a representative of the Village of Slinger/Slinger Utilities will initiate a phone call to the loan recipient to review performance and issues. On-site visits will be conducted annually to verify and evaluate the use of loan funds.

Village of Slinger/Slinger Utilities reserves the right to require any of these options on a more frequent basis if it is determined to be in the best interest of the Village of Slinger/Slinger Utilities.

An annual review and report of the outstanding loans of the loan fund, including job creation totals and community benefits, will be compiled by the RLF Committee for presentation to the entire Village of Slinger/Slinger Utilities Board of Trustees.

FILE RETENTION:

All RLF files will be retained for a period of not less than 2 full years after the loan has been paid in full. After 2 years, the files may be destroyed by shredding or incineration. Files will be secured in a locked, safe place and access will be limited to Village of Slinger/Slinger Utilities staff with RLF responsibilities only. Other security measures will be initiated as needed to protect confidentiality of loan documents.

AMENDMENTS:

Amendments to this rural development plan will require the approval of the Village of Slinger/Slinger Utilities Board of Trustees. No action will be taken to amend this plan without the prior written approval of USDA Rural Development, its successors or assigns.

VILLAGE OF SLINGER/SLINGER UTILITIES REVOLVING LOAN FUND APPLICATION

TO BE COMPLETED BY SLINGER:				
Project No:	Staff Responsible:	Date App. Submitted:	Date Reviewed by RLF:	Approved Date:
Loan Term:	Loan Amount:	Interest Rate:	FT Jobs to be Created:	
SECTION I - RLF/APPLICANT INFORMATION				
Type of Business : <input type="checkbox"/> C Corp <input type="checkbox"/> S Corp <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Non Profit				
Legal Name:				
Trade Name:				
Address:				
City, State, Zip:			County:	
FEIN #: <small>(Federal Employee Identification Number -Tax ID or Social Security Number)</small>			State of Organization: <small>(Per Articles of Incorporation/Organization)</small>	
WWW:				
Tele. #:			Fax #:	
CEO Name:			CEO Title:	
<i>Individual To Contact Regarding Questions About The Company:</i>				
Co. Contact:			Title:	
Email Address:				
Tele. #:			Fax #:	
Address:				
City, State, Zip:				
<i>Individual To Contact Regarding Questions About The Project:</i>				
Project Contact:			Title:	
Email Address:				
Tele. #:			Fax #:	
Address:				
City, State, Zip:				
SECTION II - BUSINESS INFORMATION				
Date Established:			SIC or NAICS: <small>(Standard Industrial Code or North American Industrial Classification)</small>	
Minority Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, the Minority Classification is: <input type="checkbox"/> Eskimo <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Aleut <input type="checkbox"/> Asian-Indian <input type="checkbox"/> Asian-Pacific <input type="checkbox"/> African American				
Women Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No			Owned by a Person with a Disability: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Foreign Owned: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: Country:			% of ownership:	
Primary Product or Service:				
Total Company Employment:		*Full Time:	Part Time:	
Total Washington Co. Employment:		Full Time:	Part Time:	
Total Project Location Employment:		Full Time:	Part Time:	
% of Project Location Full Time Employees that are Slinger Residents:				

*Full Time Employees defined as 2,080 hours/year

SECTION III-PROJECT INFORMATION

Project Street Address _____ Square Footage of Project Facility(ft²): _____

Brief Project Summary:

SECTION IV-PROJECT TIME-LINE

Secure all financing by: _____ Break ground/lease by: _____

Begin production by: _____ Achieve full production by: _____

SECTION V-PROPOSED PROJECT BUDGET

USES OF FUNDING (equip, bldg, work cap, training, etc.)	SOURCES OF FUNDING*				TOTAL
	(Bank, Equity, SBA, etc.)				
	RLF	SOURCE #1 NAME:	SOURCE #2 NAME:	SOURCE #3 NAME:	
					\$
					\$
					\$
					\$
					\$
					\$
TOTAL	\$	\$	\$	\$	\$

**Please provide the following for the sources listed above*

Source	Source Name:	Contact Name:	Contact Title	Email Address	Phone Number
1.					
2.					
3.					

SECTION VI-PROJECTED EMPLOYMENT

Full Time Positions Only (2,080 hours/year)

Existing Positions		Position Title	Positions Created				
Avg. Hourly Wage	Number of Existing		Year One		Year Two	Year Three	Total Number Created
			Avg. Starting Hourly Wage	Number Created	Number Created	Number Created	
		TOTAL					

SECTION VII-BENEFIT INFORMATION

Check (✓) the Health Insurance Provided to Employees:	<input type="checkbox"/> None	<input type="checkbox"/> Individual	<input type="checkbox"/> Family
Percent of Health Insurance Premium Paid by Company:		%	%
Average Deductible Paid by Employee:		\$	\$
Other Benefits Provided to the Majority of the Workforce:	<input type="checkbox"/> Life Insurance	<input type="checkbox"/> Pension	<input type="checkbox"/> 401(k) <input type="checkbox"/> Childcare
	<input type="checkbox"/> Tuition Reimbursement	<input type="checkbox"/> Other: (Specify)	
Will new employees be provided with substantially the same benefits as described above: <input type="checkbox"/> Yes <input type="checkbox"/> No			

SECTION VIII-OWNERSHIP INFORMATION (unless publicly owned)

Name: (First, Middle Initial, Last)	Phone Number	Personal Financial Statement Attached	Ownership %*
1.		<input type="checkbox"/> YES	%
2.		<input type="checkbox"/> YES	%
3.		<input type="checkbox"/> YES	%
4.		<input type="checkbox"/> YES	%
5.		<input type="checkbox"/> YES	%
All Others:			%
*Personal Financial Statements are required for all owners with 20% or more. The RLF Committee may review a Dun and Bradstreet report and delinquent tax filings on the applicant. The RLF Committee may also review a personal credit report and delinquent tax filings on each individual that owns 20% or more.			100%

SECTION IX-LEGAL INFORMATION*

	YES/NO
Has the applicant, any owner, officer, subsidiary or affiliate been involved in any lawsuits in the last 5 years or have any lawsuits pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the applicant, any owner, officer, subsidiary or affiliate ever been involved in any bankruptcy or insolvency proceedings or have any proceedings pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the applicant, any owner, officer, subsidiary or affiliate had any civil or criminal charges in the last 5 years that could have a material adverse impact on the project or have any charges pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the applicant, any owner, officer, subsidiary or affiliate have any outstanding tax liens?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please attach a detailed explanation of any YES responses.	
*An Application will be deemed ineligible and denied based on the falsification of information	

SECTION X-MARKET INFORMATION

THREE MAJOR CUSTOMERS:	% OF SALES
1.	
2.	
3.	
THREE MAJOR COMPETITORS	LOCATION (City and State)
1.	
2.	
3.	

SECTION XI-SUMMARY OF HISTORICAL FINANCIAL INFORMATION

FYE	/ /	/ /	/ /
Total Sales			
Net Income			
Total Assets			
Total Liabilities			
Equity			
WI Income Tax Liability (C Corporations Only)			

SECTION XII-SUMMARY OF PROJECTED FINANCIAL INFORMATION

FYE	/	/	/	/
Total Sales				
Net Income				
Total Assets				
Total Liabilities				
Equity				
WI Income Tax Liability (C Corporations Only)				

Additional Comments

Empty area for providing additional comments.

Required Certification Statement

The undersigned hereby:

1. Certifies that to the best of the applicant's knowledge and belief, the information being submitted to the Village of Slinger/Slinger Utilities as part of the Application is true and correct.
2. Certifies that the applicant is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.
3. Certifies that the applicant is not in default under the terms and conditions of any grant or loan agreements, leases, or financing agreements with its other creditors.
4. Certifies that the Village of Slinger/Slinger Utilities is authorized to obtain a credit check and Dun and Bradstreet on the applicant, the business and/or the individual(s).
5. Certifies that the applicant has disclosed and will continue to disclose any occurrence or event that could have an adverse material impact on the project. Adverse materials impact includes but is not limited to lawsuits, criminal or civil actions, bankruptcy, proceedings, regulatory intervention or inadequate capital to complete the project.

Signature: _____
(Applicant)

Date: _____

Name: _____
(Applicant)

SAMPLE LOAN AGREEMENT

This Loan Agreement is made this ___ day of _____, 20___, between the Village of Slinger/Slinger Utilities, hereinafter referred to as the "Grantee", and _____, hereinafter referred to as the "Owner."

WITNESSETH

WHEREAS, the Grantee has applied for and been selected to receive a United States Department of Agriculture (USDA) Rural Economic Development Loan pursuant to the Rural Economic Development Grant letter of conditions dated July 19, 2010; and

WHEREAS, the Grantee and USDA have entered into a Grant Agreement dated _____ for Project Number _____ setting forth the terms of the loan which terms include the execution of this Agreement by the Owner and the Grantee, said Grant Agreement is incorporated herein by reference; and

WHEREAS, the parties hereby agree to all of the attachments attached hereto and made a part hereof; and

WHEREAS, the Grantee agrees to provide a loan and the Owner agrees to accept a loan in an amount not to exceed _____.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises hereinafter set forth, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

Section 1.1 Schedule of Attachments

The following attachments are appended to this Agreement and are hereby incorporated by reference:

Attachment A	Promissory Note
Attachment B	Mortgage
Attachment C	Personal Guarantee Dated _____
Attachment D	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction Dated _____
Attachment E	Assurance Agreement Dated _____
Attachment F	Request for Environmental Information Dated _____
Attachment G	Data Collection

Section 1.2 Compliance

Owner shall execute and comply with the certification attached as Attachment D, E, F and G prior to or upon closing on the loan. Owner shall fully comply at all times with the United

States Department of Agriculture (USDA) rural Economic Development Grant requirements, which obligations include, but are not limited to, Section 313 of the Rural Electrification Act of 1936, as amended, and 7 CFR part 4280, Subpart A - Rural Economic Development Loan and Grant Program; and the conditions, agreement, certification, application and plan of Grantee described in Attachments C, D, E, F and G. No act or omission of Owner shall be done which would cause Grantee to be in violation of the foregoing. In the event of Owner's violation of the foregoing, in part or in whole, as determined by Grantee, Grantee may demand immediate repayment of the entire loan balance, which shall be in addition to such other penalties and remedies as may apply.

Section 1.3 Special Charges

Owner and Grantee acknowledge that the provisions of the loan funds to the Grantee for physical improvements to the property constitutes a current service rendered to the property, pursuant to Section 66.0627, Wisconsin Statutes. In the event of default on this loan, therefore, in addition to and not to the exclusion or prejudice of such other actions and remedies as may be available to the Grantee, Owner agrees that such loan balance might be imposed as a special charge. Upon delinquency in payment of such special charge, it shall become a lien on the property and shall be included in the current or next tax roll for collection and settlement per Chapter 74, Wisconsin Statutes, as described in Wisconsin Statutes Section 66.0627.

Section 1.4 First Mortgage Debt Retirement.

The property that will be subject to the Mortgage shown in Attachment B is also subject to a prior promissory note dated June 17, 2010 and the related mortgage recorded in the office of the Washington County Register of Deeds on July 6, 2010, as Document No. 1253073, to Citizens Bank of Mukwonago ("First Mortgage"). Owner shall use the entire _____ loan funds to pay toward the First Mortgage.

Section 1.5 Conditioned Upon Grant.

This Loan Agreement is subject to Grantee's receipt of a \$300,000.00 grant from the United States Department of Agriculture as described in the attachments hereto. In the event Grantee does not receive such funds and the loan funds are not disbursed to Owner, this Loan Agreement shall be voidable by either party at any time prior to disbursement of loan funds.

ARTICLE II

Miscellaneous

Section 2.1 Successors Bound

All provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the parties.

Section 2.2 Remedies Not Impaired

No delay or omission by the Grantee in exercising any right or remedy available under this Agreement shall impair any such right or remedy or constitute a waiver of any default or Substantive Violation as defined in the attached Mortgage.

Section 2.3 Severability

The invalidity of any article, section, subsection, clause or provision of this Agreement, including its exhibits, shall not affect the validity of the remaining articles, sections, subsections, clauses or provisions hereof.

Section 2.4 Entire Agreement

This Agreement constitutes the entire agreement between the Grantee and the Owner with respect to the matters contained herein and supersedes all prior oral and written agreements and all subsequent oral agreements between the Owner and the Grantee with respect to such matters.

Section 2.5 Table of Contents, Titles and Headings

Any table of contents, the title of any Articles and headings of the sections and subsections set forth herein are not a part of this Agreement and shall not be deemed to affect the meaning or construction of any of its provisions.

Section 2.6 Rules of Interpretation

- (A) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Wisconsin.
- (B) The words "herein" and "hereof" and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.
- (C) In the event that any section, provision, or clause of this Agreement is determined to be inconsistent with the Grant Agreement, the Grant Agreement shall control.

IN WITNESS WHEREOF, the parties execute this Agreement as of the date first above written, and warrant that they possess all of the required power and authority to enter into this Agreement.

GRANTEE:
VILLAGE OF SLINGER/
SLINGER UTILITIES

By: _____

U.S. DEPARTMENT OF AGRICULTURE

**Certification Regarding Debarment, Suspension, Ineligibility
and Voluntary Exclusion - Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 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 with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Organization Name

PR/Award Number or Project Name

Name(s) and Title(s) of Authorized Representative(s)

Signature(s)

Date



Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it 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 Nonprocurement List.
8. 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.
9. Except for transactions authorized under paragraph 5 of these instructions, 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 with which this transaction originated may pursue available remedies, including suspension and/or debarment.

USDA
Form RD 400-4
(Rev. 3-97)

ASSURANCE AGREEMENT
(Under Title VI, Civil Rights Act of 1964)

FORM APPROVED
OMB No. 0575-0018

The _____
(name of recipient)

(address)

("Recipient" herein) hereby assures the U. S. 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 USC 2000d et. seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, or the Farm Service Agency, (hereafter known as the "Agency") regulations promulgated thereunder, 7 C.F.R. §1901.202. 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. §14.2) 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.

1. 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.
2. Recipient shall:
 - (a) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
 - (b) Permit access by authorized employees of the Agency or the U.S. Department of Agriculture 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.
 - (c) 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 Agency or the U.S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
3. The obligations of this agreement shall continue:
 - (a) 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.
 - (b) 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.
 - (c) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
4. Upon any breach or violation this agreement the Government may, at its option:
 - (a) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
 - (b) 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.

In witness whereof, _____ on this
(name of recipient)

date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(SEAL)

Recipient

Date

Attest: _____
Title

Title

REQUEST FOR ENVIRONMENTAL INFORMATION

Name of Project
Location

- Item 1a.** Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project?
 Yes No Copy attached as EXHIBIT I-A.
- 1b.** If "No." provide the information requested in Instructions as EXHIBIT I.
- Item 2.** The State Historic Preservation Officer (SHPO) has been provided a detailed project description and has been requested to submit comments to the appropriate Rural Development Office. Yes No *The SHPO submittal will be completed by the RD State Office - See Item 2, Page 5.*
- Item 3.** Are any of the following land uses or environmental resources either to be affected by the proposal or located within or adjacent to the project site(s)? *(Check appropriate box for every item of the following checklist).*

	Yes	No	Unknown		Yes	No	Unknown
1. Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Dunes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Estuary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Residential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Wetlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Agricultural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Floodplain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grazing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	23. Wilderness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Mining, Quarrying	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(designated or proposed under the Wilderness Act)</i>			
7. Forests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	24. Wild or Scenic River	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Recreational	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(proposed or designated under the Wild and Scenic Rivers Act)</i>			
9. Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25. Historical, Archeological Sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Listed on the National Register of Historic Places or which may be eligible for listing)</i>			
11. Hospital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	26. Critical Habitats	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(endangered /threatened species)</i>			
13. Open spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	27. Wildlife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Aquifer Recharge Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	28. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Steep Slopes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	29. Solid Waste Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Wildlife Refuge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	30. Energy Supplies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Shoreline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	31. Natural Landmark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Beaches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<i>(Listed on National Registry of Natural Landmarks)</i>			
				32. Coastal Barrier Resources System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Item 4.** Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? Yes No

(Date)

Signed: _____
(Applicant)

(Title)

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 0575-0094. The time required to complete this information collection is estimated to average 6 to 10 hours 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.

INSTRUCTIONS FOR PREPARING FORM RD 1940-20

Federal agencies are required by law to independently assess the expected environmental impacts associated with proposed Federal actions. It is extremely important that the information provided be in sufficient detail to permit Rural Department to perform its evaluation. Failure to provide sufficient data will delay agency review and a decision on the processing of your application.

This information request is designed to obtain an understanding of the area's present environmental condition and the project's elements that will affect the environment. Should you believe that an item does not need to be addressed for your project, consult with the RD office from which you received this Form before responding. In all cases when it is believed that an item is not applicable, explain the reasons for this belief.

It is important to understand the comprehensive nature of the information requested. Information must be provided for a) the site(s) where the project facilities will be constructed and the surrounding areas to be directly and indirectly affected by its operation and b) the areas affected by any primary beneficiaries of the project. The amount of detail should be commensurate with the complexity and size of the project, and the magnitude of the expected impact. Some examples:

A small community center project may not require detailed information on air emissions, meteorological conditions and solid waste management.

A water resource, industrial development, or housing development project will require detailed information.

Item 1a - Compare the Environmental Impact Statement or Analysis that was previously prepared with the information requested in the instructions for Item 1b below to be sure that every point in the information request is covered in the Environmental Impact Statement or Analysis. If any of the requested information is not covered, attach to the Environmental Impact Statement or Analysis a supplemental document that corrects any deficiencies or omissions.

Item 1b - Provide responses to the following items in the order listed and attach as EXHIBIT I. In order to understand the full scope of the land uses and environmental factors that need to be considered in responding to these items, it may be helpful to complete Item 3 of the Form before completing these narrative responses. If your application is for a project that Rural Development has classified as a Class I action, complete only parts (1), (2), (13), (15), (16), and (17) of this Item. The Rural Development office from which you received this Form can tell you if your application falls within the Class I category.

(1) Primary Beneficiaries

Identify any existing businesses or major developments that will benefit from the proposal, and those which will expand or locate in the area because of the project. These businesses or major developments hereafter will be referred to as primary beneficiaries.

(2) Area Description: See notes for this section under Additional Information section on Page 5.

- (a) Describe the size, terrain, and present land uses as well as the adjacent land uses of the areas to be affected. These areas include the site(s) of construction or project activities, adjacent areas, and areas affected by the primary beneficiaries. **Identify the Township, Range and Section Numbers of the Project Location.**
- (b) For each box checked "Yes" in item 3, describe the nature of the effect on the resource. If one or more of boxes 17 through 22 is checked "Yes" or "Unknown," contact Rural Development for instructions relating to the requirements imposed by the Floodplain Management and Wetland Protection Executive Orders.
- (c) Attach as Exhibit II the following: 1) a U.S. Geological Survey "15 minute" ("7 1/2 minute" if available) topographic map which clearly delineates the area and the location of the project elements; 2) the Federal Emergency Management Administration's floodplain map(s) for the project area; 3) site photos; 4) if completed, a standard soil survey for the project area; and 5) if available, an aerial photograph of the site. If a floodplain map is not available, contact Rural Development for additional instructions relating to the requirements imposed by the Floodplain Management Executive Order.

(3) Air Quality

- (a) Provide available air quality data from the monitoring station(s) either within the project area or, if none exist nearest the project area.
- (b) Indicate the types and quantities of air emissions to be produced by the project facilities and its primary beneficiaries. If odors will occur, indicate who will be affected.
- (c) Indicate if topographical or meteorological conditions hinder the dispersal of air emissions.
- (d) Indicate the measures to be taken to control air emissions.

(4) Water Quality

- (a) Provide available data on the water quality of surface or underground water in or near the project area.
- (b) Indicate the source, quality, and available supply of raw water and the amount of water which the project is designed to utilize.
- (c) Describe all of the effluents or discharges associated with the project facilities and its primary beneficiaries. Indicate the expected composition and quantities of these discharges prior to any treatment processes that they undergo and also prior to their release into the environment.

- (d) Describe any treatment systems which will be used for these effluents and indicate their capacities and their adequacy in terms of the degree and type of treatment provided. Indicate all discharges which will not be treated. Describe the receiving waters and their uses (e.g., recreational) for any sources of treated and untreated discharge.
 - (e) If the treatment systems are or will be inadequate or overloaded, describe the steps being taken for necessary improvements and their completion dates.
 - (f) Describe how surface runoff will be handled if not discussed in (d) above.
- (5) Solid Waste Management
- (a) Indicate the types and quantities of solid wastes to be produced by the project facilities and its primary beneficiaries.
 - (b) Describe the methods for disposing of these solid wastes plus the useful life of such methods.
 - (c) Indicate if recycling or resource recovery programs are or will be used.
- (6) Transportation
- (a) Briefly describe the available transportation facilities serving the project area.
 - (b) Describe any new transportation patterns which will arise because of the project.
 - (c) Indicate if any land uses, such as residential, hospitals, schools or recreational, will be affected by these new patterns.
 - (d) Indicate if any existing capacities of these transportation facilities will be exceeded. If so, indicate the increased loads which the project will place upon these facilities, particularly in terms of car and truck traffic.
- (7) Noise
- (a) Indicate the major sources of noise associated with the project facilities and its primary beneficiaries.
 - (b) Indicate the land uses to be affected by this noise.
- (8) Historic/Archeological Properties
- (a) Identify any known historic/archeological resources within the project area that are either listed on the National Register of Historic Places or considered to be of local and state significance and perhaps eligible for listing in the National Register.
 - (b) Attach as EXHIBIT III any historical/archeological survey that has been conducted for the project area.

(9) Wildlife and Endangered Species

- (a) Identify any known wildlife resources located in the project area or its immediate vicinity.
- (b) Indicate whether to your knowledge any endangered or threatened species or critical habitat have been identified in the project area or its immediate vicinity.

(10) Energy

- (a) Describe the energy supplies available to the project facilities and the primary beneficiaries.
- (b) Indicate what portion of the remaining capacities of these supplies will be utilized.

(11) Construction

Describe the methods which will be employed to reduce adverse impacts from construction, such as noise, soil erosion and siltation.

(12) Toxic Substances

- (a) Describe any toxic, hazardous, or radioactive substances which will be utilized or produced by the project facilities and its primary beneficiaries.
- (b) Describe the manner in which these substances will be stored, used, and disposed.

(13) Public Reaction

- (a) Describe any objections which have been made to the project.
- (b) If a public hearing has been held, attach a copy of the transcript as EXHIBIT IV. If not, certify that a hearing was not held.
- (c) Indicate any other evidence of the community's awareness of the project such as through newspaper articles or public notification.

(14) Alternatives to the Proposed Project

Provide a description of any of the following types of alternatives which were considered:

- (a) Alternative locations.
- (b) Alternative designs.
- (c) Alternative projects having similar benefits.

(15) Mitigation Measures

Describe any measures which will be taken to avoid or mitigate any adverse environmental impacts associated with the project.

(16) Permits

- (a) Identify any permits of an environmental nature which are needed for the project.
- (b) Indicate the status of obtaining each such permit and attach as EXHIBIT V any that have been received.

(17) Other Federal Actions

Identify other federal programs or actions which are either related to this project or located in the same geographical area and for which you are filing an application, have recently received approval, or have in the planning stages.

Item 2 - All applicants are required to provide the WI RURAL DEVELOPMENT STATE OFFICE with (a) a narrative description of the project's elements and its location, (b) a map of the area surrounding the project which identifies the project site, adjacent streets and other identifiable objects, (c) A SITE PLAN OF THE PROJECT and (d) photographs of the affected properties if building demolition or renovation is involved. ALSO SUBMIT THE TOTAL AMOUNT (IN SQUARE FEET) OF NEW GROUND DISTURBANCE THAT WILL OCCUR AT THE BUILDING SITE FOR THE CONSTRUCTION OF THE PROPOSED PROJECT. This material will be submitted to the SHPO by RURAL DEVELOPMENT. THE APPLICANT SHOULD NOT CONTACT OR SUBMIT PROJECT MATERIALS TO THE WISCONSIN SHPO FOR THE RURAL DEVELOPMENT APPLICATION.

Item 3 - Self-explanatory.

Item 4 - Self-explanatory

ADDITIONAL INFORMATION:

**USGS MAPS AND AERIAL PHOTOS CAN BE FOUND ON-LINE AT: <http://terraserver.microsoft.com/>
Identify the name of the USGS map (if known).
FLOODPLAIN MAPS CAN BE FOUND ON-LINE AT: www.fema.gov
SOILS MAPS (IF NEEDED) CAN BE FOUND ON-LINE AT: www.websoilsurvey.sc.egov.usda.gov/app/
LOCATE THE PROJECT SITE ON ALL MAPS SUBMITTED WITH THE APPLICATION.
ON THE USGS MAP, IDENTIFY ADJACENT STREETS AND OTHER SURROUNDING LANDMARKS NEAR THE PROJECT.
INCLUDE PHOTOS OF THE PROJECT SITE. PHOTOS SHOULD SHOW THE PROJECT SITE LOOKING N-S-E-W.**

_____, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

NOTARY PUBLIC, STATE OF WISCONSIN
My Commission: _____

SAMPLE MORTGAGE

MORTGAGE

Document Number

_____ (“Mortgagor”), hereby mortgages, conveys and warrants to the Village of Slinger/Slinger Utilities, Wisconsin, or its assigns (“Mortgagee”), in consideration and to secure payment of _____ Dollars, the receipt and sufficiency of which are hereby acknowledged, plus interest, evidenced by a Promissory Note and the payment of all other sums advanced to protect the security of this Mortgage, and to secure the performance by Mortgagor of its obligations and agreements hereunder and under the Loan Agreement between Mortgagor and Mortgagee bearing even date, the real property located in Washington County, State of Wisconsin, described in Exhibit A attached hereto, together with all privileges, hereditaments, easements and appurtenances, all rents, income, leases, royalties, awards, issues and profits, all existing and further improvements, buildings and structures, and any additions, replacements, extensions or betterments thereof, and fixtures and other appurtenant interest and goods which are or are to become fixtures (together hereinafter referred to as the “Property”).

Recording Area

Name and Return Address
Attorney Eric J. Larson
Arenz, Molter, Macy & Riffle, S.C.
720 N. East Avenue
P.O. Box 1348
Waukesha, WI 53187-1348

Tax Identification Number (PIN)

This is not homestead property.

1. Security Interest. Without limitation of the foregoing, Mortgagor hereby further grants to Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Wisconsin, a security interest in all of the Property.
2. Nonhomestead Mortgage. This is not homestead property.
3. Authority. Mortgagor has the right, full power and due and lawful authority to execute and deliver this Mortgage to Mortgagee. Mortgagor has taken all action required by law and by its Limited Liability Company agreement necessary to make this Mortgage a valid, binding and legal obligation of Mortgagor, enforceable in accordance with its terms.
4. Warranties. Mortgagor hereby warrants title to the Property subject only to the matters listed in Exhibit B attached hereto. Mortgagor shall forever warrant and defend the same to Mortgagee against any and all claims and demands whatever other than the Mortgage set forth in Exhibit B.
5. Insurance. Mortgagor shall keep the improvements on the Property insured against hazards as Mortgagee may require. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee otherwise agree in writing, an original or certified copies of all policies covering the Property shall be deposited with Mortgagee, and insurance

proceeds shall be applied to restoration or repair of the Property damaged, provided that Mortgagee agrees the restoration or repair to be economically feasible.

6. Covenants. Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from liens not approved in advance and in writing by Mortgagee, to comply with, and not permit the Property to be used in violation of, any and all laws, ordinances and regulations affecting the property, and not to permit any structural changes or other alterations to be made in the Property without Mortgagee's written consent. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by any other mortgage or lien on the Property, and any failure to do so shall constitute a default under this Mortgage. Mortgagor promises to pay when due all taxes and assessments levied, and all other items which, if unpaid, might by law become a lien or charge on the Property or upon Mortgagee's interest in it (and failure to do so shall constitute waste hereunder) and to deliver to Mortgagee on demand receipts showing such payment.
7. Preservation of Lien. Mortgagor shall, within fifteen days, execute, acknowledge, deliver and cause to be recorded or filed in the manner and place required by any present or future law, any instrument that may be reasonably requested by Mortgagee to publish notice or protect, perfect, preserve, continue, extend or maintain the security interest and lien and the priority thereof of this Mortgage or the interest of Mortgagee in the Property, or as may be essential to the operation of the Property.
8. Time is of the Essence. Mortgagor agrees that time is of the essence with respect to payments when due and performance of any of the covenants and promises of Mortgagor contained herein, or in the Promissory Note or Loan Agreement secured hereby.
9. Default. A "Substantive Violation" shall consist of breach of the provisions of this Mortgage and/or the Promissory Note or Loan Agreement or USDA Rural Economic Development Grant Agreement (the "Grant Agreement") between Mortgagee and the United States Department of Agriculture as referred to in the Loan Agreement, which breach remains uncorrected after Mortgagee has provided Mortgagor with a reasonable opportunity for corrective action.

A "Default" shall consist of: (i) a Substantive Violation; (ii) a failure to make payment under the Promissory Note or any other note secured by this Property and such default continues for a period of ten days after written notice thereof to Mortgagor; (iii) a failure to timely observe or perform any other of Mortgagor's covenants or obligations contained herein, or in the Promissory Note, Loan Agreement, other note secured by this Property, and such default continues for a period of thirty days after written notice to Mortgagor; (iv) the use of any loan funds for any purpose other than an authorized herein or any document incorporated herein; (v) a breach of the performance under the Grant Agreement; (vi) the making of any representation or warranty in this Mortgage or otherwise to induce Mortgagee to extend credit to Mortgagor which is false or misleading in any material respect when made; (vii) any breach by Mortgagor of any covenant, agreement, provision or warranty made in any agreement entered into between Mortgagor and Mortgagee, or USDA relating to the Property; or (viii) Mortgagor ceasing to exist or becoming insolvent or the subject of bankruptcy or other insolvency proceedings.

Upon a determination of a Substantive Violation, mortgagee shall notify Mortgagor, with a copy to USDA, of the: (i) nature of the violation; (ii) actions required to be taken and the

remedies to be applied to cure the violation; and (iii) time by which Mortgagee shall take all the required actions to cure the violation.

Notwithstanding the provisions of the foregoing two paragraphs, upon the occurrence of any Default (including a Substantive Violation), Mortgagee may, at its option, and as to (vi) and (viii) without notice which is hereby waived, declare the whole amount of the unpaid principal on the Promissory Note to be immediately due and payable and collect it in suit at law or by foreclosure of this Mortgage by action or advertisement or by exercise of any other remedy available at law or in equity, including actions for specific performance of any covenant or agreement, and Mortgagee may sell the Property at public sale and give deeds of conveyance to the purchaser pursuant to the Wisconsin Statutes. Mortgagee is hereby irrevocably appointed the true and lawful attorney-in-fact of Mortgagor, in its name and stead, to make all necessary transfers of the Property thus sold, and, for that purpose, Mortgagee may execute and deliver, for and in the name of Mortgagor, all necessary or convenient instruments of assignment and transfer, Mortgagor hereby ratifies and confirming all that its said attorney-in-fact shall lawfully do by virtue hereof.

10. Foreclosure Sale. Any foreclosure sale of the Property shall be held pursuant to Wisconsin Law.
11. Possession. Upon default or during the pendency of any action to foreclose this Mortgage (and subject to the rights of any First Mortgage holder), Mortgagee, either itself or by its agents or attorneys, may peacefully, in the sole discretion of Mortgagee, enter upon and take possession of the Property, or any part or parts thereof, and may exclude Mortgagor and its agents and servants wholly therefrom, and having and holding the same, Mortgagee may use, operate, manage and control the Property or any part hereof, and conduct the business thereof in a commercially reasonable manner, either personally or by superintendents, managers, agents, employees and attorneys, and from time to time, by purchase, repair or construction, may reasonably maintain and restore and may insure and keep insured the buildings, structures, improvements, fixtures and other property, real and personal, comprising the Property.
12. Receiver. Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor irrevocably consents to the appointment of a receiver, which may be Mortgagee, of the Property to collect the rents, issues and profits of the Property.
13. Waiver. Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor. Any waiver by Mortgagee of any default shall not be effective unless in writing and signed by Mortgagee.
14. Mortgagee May Cure. In the event of any default by Mortgagor of any kind under this Mortgage or the Promissory Note, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor and shall constitute a lien upon the Property.
15. Nonexclusive Remedy. No right, remedy or benefit herein conferred upon or otherwise available to Mortgagee is intended to be or shall be construed to be exclusive of any other right, remedy or benefit, but each and every such right, remedy and benefit shall be cumulative and shall be in addition to every other right, remedy and benefit given hereunder and now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any

default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein.

16. Condemnation. If all or any part of the Property is damaged, taken or acquired either temporarily or permanently, in any condemnation proceeding, by exercise of the right of eminent domain, by sale in lieu of condemnation or eminent domain, then, subject to the rights of any First Mortgage Holder, the amount of any award or other payment for such taking or damages made in consideration thereof in excess of \$500, to the extent of the full amount of the then remaining unpaid indebtedness secured hereby, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor, and the same shall be paid forthwith to Mortgagee and shall be held and applied by Mortgagee, unless Mortgagor and Mortgagee agree otherwise in writing, first toward the cost of repairing or restoring the damaged Property (if, after such restoration, the Property will produce sufficient income to meet the then existing obligations of Mortgagor under this Mortgage) and the balance, if any, toward satisfaction of the outstanding obligation under the Promissory Note.
17. Assignment of Rents. Subject to the rights of any First Mortgage holder, Mortgagor hereby transfers, pledges, mortgage and assigns absolutely to Mortgagee, as additional security, all rents, issues, profits, income and charges of whatever sort which it may receive or be entitled to receive from the operation of the Property. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property. As long as mortgagor is not in default hereunder, it shall be entitled to take and use the rents, issues, profits, income and charges in compliance with the Loan Agreement.
18. Wisconsin Law; Captions. This Mortgage shall be interpreted in accordance with and governed in all respects by the internal laws of the State of Wisconsin. The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of intent of each section or this Mortgage.
19. Notices. All notices, demands or documents to be served upon or to any party hereto shall be sufficiently served by delivery the same personally or by depositing the same in the United States mail, certified mail, return receipt requested, posted prepaid, addressed to the appropriate party as follows:

To Mortgagee:

Village of Slinger
300 Slinger Road
Slinger, WI 53086

To Mortgagor:

Dated this _____ day of _____, 2010.

