

ADVICE OF LOAN TO ULTIMATE RECIPIENT ("ALURT")

| INTERMEDIARY | | | |
|---|----------------------|---------------------|---|
| Name | Loan Officer | Phone | Email |
| Rural Economic Development Corporation | Fred Friendly | 800-123-4567 | fred@redc.org |

This is to notify USDA of the following ultimate recipient loan made with revolved IRP loan funds.

| ULTIMATE RECIPIENT | | |
|--|---------------------|-----------------------|
| Borrower Name | Business Name (dba) | Business Location |
| John Locke | U-Pick Locks | Ruralville, OR |
| Brief Description of the Project | | |
| M&E and inventory to allow an existing locksmith to expand from Ruralville to Smalltown | | |

CERTIFICATIONS

The IRP lender hereby certifies:

1. **This ultimate recipient:**
 - a) is eligible for the loan, per IRP regulations and our approved IRP Work Plan.
 - b) will not fund more than 75% of the project cost.
 - c) is unable to finance the proposed project through commercial credit or other Federal, State, or local programs at reasonable rates and terms.
 - d) has executed Form AD-1048, affirming they are not debarred or suspended from receiving Federal assistance.
2. **This loan:**
 - a) is for eligible purposes, per IRP regulations and our approved IRP Work Plan.
 - b) complies with all applicable statutes and regulations.
 - c) has fees and charges that are reasonable and customary for the community where the project is located.
3. **The intermediary** and its principal officers (including immediate family) hold no legal or financial interest or influence in the ultimate recipient, and the ultimate recipient and its principal officers (including immediate family) hold no legal or financial interest or influence in the intermediary.
4. **If debt is refinanced:**
 - a) A complete debt schedule which is in agreement with the borrower's latest balance sheet has been obtained.
 - b) Collateral for the proposed loan will include all of the collateral currently pledged on the debt being refinanced.
 - c) Secured creditors being refinanced are not being paid more than the value of their collateral.
 - d) The proposed refinance will restructure debts on a schedule that will allow the ultimate recipient to operate successfully and pay off the loan rather than merely take over an unsound loan.
 - e) The proposed refinancing will create new or save existing jobs or create or continue a needed service.

ADDITIONAL COMMENTS

None

Fred Friendly

SIGNATURE OF IRP LOAN OFFICER

July 1, 2009

DATE

Attachments: (these forms available at <http://www.rurdev.usda.gov/or/rif.htm>)

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|-------------------------------------|---------------|--------------------------------|
| <input checked="" type="checkbox"/> | <u>always</u> | Ultimate Recipient Data Sheet |
| <input checked="" type="checkbox"/> | <u>always</u> | IRP Lender's Credit Memorandum |