

## FORM 4C.1 LOAN AGREEMENT

This Loan Agreement is part of that certain loan in the principal amount of \$ \_\_\_\_\_ (the Loan) from \_\_\_\_\_ (the Lender) to \_\_\_\_\_ (the Borrower) evidenced by a note (the Note) and secured by a mortgage (the Mortgage) on the property (the Property) and any additional documents required by Lender (the Security Documents). The purpose of this Loan Agreement is to set forth the following additional terms and conditions pursuant to which the Loan is granted.

1. **Continued Operations.** Borrower shall continue, in substantially the same manner and degree as at present, Borrower's farming operation on the Property; Borrower acknowledges that such continued operations constitute a significant inducement to Lender to make the Loan.
2. **Notice of Change of Status.** Borrower agrees that it shall promptly notify Lender of the following:
  - a. if any assets of Borrower are surrendered in satisfaction of a debt or obligation;
  - b. if an existing farm operating partnership or real estate ownership partnership of Borrower is dissolved;
  - c. if the lease for any land currently leased by Borrower expires or is terminated;
  - d. upon the commencement of any litigation, including any arbitration or mediation, and of any proceedings before any governmental agency which could materially and adversely affect Borrower or Lender.
3. **Representations and Warranties of Borrower.** Borrower hereby represents, warrants, and covenants that, and agrees to furnish Lender on request with evidence confirming that:
  - a. the Property is taxed and billed separately from real property not subject to the Mortgage, and no part of the Property is located within a flood zone;
  - b. no members of the Borrower's immediate family, if Borrower is an individual; no partner of Borrower, if Borrower is a partnership; or no stockholder of Borrower, if Borrower is a corporation (other than a corporation listed on a recognized, national stock exchange), is an officer or director of Lender or is a relative of an officer or director of Lender within the following categories: a son, daughter, or descendant of either; a stepson, stepdaughter, stepfather, stepmother; father, mother, or ancestor of either; or a spouse;
  - c. neither Borrower, nor any partner of Borrower, nor any stockholder of Borrower is, and no legal nor beneficial interest in a stockholder of Borrower is or will be held, directly or indirectly by, a "foreign person" under the International Foreign Investment Survey Act of 1976, the Agricultural Foreign Investment Disclosure Act of 1978, the Foreign Investments in Real Property Tax Act of 1980, the amendments of such Acts or regulations promulgated pursuant to such Acts;
  - d. neither the Property nor any portion thereof has been used for the production, release, or disposal of hazardous wastes or materials. Borrower represents and warrants that it and any tenant on the Property will not generate, store, handle or otherwise deal with hazardous or toxic waste, substance or material, and further, that those pesticides, herbicides, and other agricultural chemicals customarily used in agricultural operations of the type currently conducted on the Property have been, are, and shall be used in accordance with all applicable laws and regulations;
  - e. Borrower shall indemnify and hold Lender harmless on account of any circumstances that make any representation, made in or pursuant to this section 3 incorrect; and
  - f. a default under this Loan Agreement shall constitute a default under the Note, Mortgage, and Security Documents.
  - g. as of the date hereof and through the term of the loan, (1) Borrower will not be an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), which is subject to Title 1 of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended each of the foregoing hereinafter referred to collectively as Plan, and (2) the assets of the Borrower will not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor (DOL) Regulation section 2510.3-101.
  - h. as of the date hereof and throughout the term of the loan, if Borrower is a "governmental plan" as defined in Section 3(32) of ERISA, the closing of the loan will not constitute or result in a violation of state or local statutes regulating investments of and fiduciary obligations with respect to governmental plans.
  - i. as of the date of the loan, Borrower will be acting on its own behalf and not on account of or for the benefit of any Plan.
  - j. Borrower has no present intent to transfer the loan to any entity, person, or Plan which will cause a violation of ERISA.
  - k. Borrower shall not assign its interest under the loan to any entity, person, or Plan which will cause a violation of ERISA.
  - l. the closing of the loan and any foreclosures on such loan will not violate the provisions of ERISA.

4. **Miscellaneous.** In addition to any other responsibilities of Borrower, Borrower and/or its subsidiaries or affiliates (where applicable) shall:

a. allow representatives of Lender to visit and inspect the Property, to examine the books of account and other records and files of Borrower, to make copies thereof and to discuss the affairs, business, finances, and accounts of Borrower with Borrower and/or its affiliates or subsidiaries, their respective officers and employees, all at such reasonable times and as often as Lender may request;

b. See Exhibit A attached hereto for additional terms and conditions (if None, insert NONE) \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Borrower:

\_\_\_\_\_

**Exhibit A**  
**Additional Terms and Conditions to Loan Agreement**

1. Borrower agrees to furnish Lender the following financial information, certified to be true and correct:

a. Profit and loss statement;

b. Balance Sheet;

These statements will be provided within thirty days after receipt of a written request from Lender.

2. Other Terms: [*incorporate in from Addendum to Agricultural Loan Application*]