

**Arkansas Credit Reserve Borrower Notice & Waiver**

This notice is provided to borrowers who may receive a loan from a lender under the Arkansas Credit Reserve Program of the Arkansas Development Finance Authority (the "Authority").

The purpose of this program is to assist lenders to make loans to borrowers that might otherwise not qualify for a bank loan. The program utilizes a special loss reserve (the "ACR Account") to assist the lender in covering losses from a portfolio of loans that a lender makes under the program. The borrower pays a premium charge to the ACR Account, which is matched by a payment from the Authority.

It is important to emphasize that the loan is a private transaction between the lender and the borrower. While the program may assist a lender in being able to take more risk than normal, the lender is still bearing the risk of the loan. The Authority is not a party to the loan and plays no role at all in the lender's decision regarding whether or not to make the loan, or in setting the interest rate, fees, duration, or any other terms or conditions of the loan. The lender's rights and remedies are delineated in the loan contract and in applicable law. The Authority plays no role in any decision by the lender with respect to enforcing the lender's rights under the loan contract.

While the program is intended to assist the lender in providing the borrower with access to bank financing, it is likely to be more expensive for the borrower than would be the case with a conventional loan because the borrower is required to make a payment to the ACR Account.

The borrower acknowledges receipt of this Borrower Notice and Waiver and hereby represents and warrants that it has no, and has not been promised or told by anyone that it has any legal, beneficial, or equitable interest in the aforementioned non-refundable premium charges or any other funds credited to the ACR Account, and here-by waives any right, claim, or interest to any and all such funds paid or credited to the ACR Account from time to time.

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**Authorization**

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Print Name of Borrower

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Signature

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Date