

AGREEMENT

This AGREEMENT is entered into this ____ day of _____, 201__, by and between the **Arkansas Development Finance Authority**, a public body corporate and politic in the State of Arkansas, whose address is 900 W. Capitol, Suite 310, Little Rock, Arkansas 72201 ("ADFA"); and the _____, a _____, whose address is _____ (the "Lender").

RECITALS

WHEREAS, ADFA was created by Act 1062 of 1985 of the General Assembly of the State of Arkansas, as amended, (the "Act") with the power to provide loan insurance for endeavors relating to industrial, commercial or agricultural enterprises; and

WHEREAS, ADFA has determined that in order to promote economic development and help create jobs for the people of the State of Arkansas, there is a crucial need to assist in providing access to financing for Arkansas businesses that otherwise might not be able to obtain such access; and

WHEREAS, ADFA has determined that providing loan insurance will promote and serve the intended purposes of the Act and in all respects will conform to the provisions and requirements of the Act; and

WHEREAS, ADFA and the Lender desire to set forth the terms and conditions of the loan insurance that will apply if the Lender decides to make loans under the Program;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

In addition to the words and terms defined elsewhere in the Agreement, each of the following words and terms as used in the Agreement shall have the following meaning unless the context or use indicates another or different meaning or intent, and such definition shall be equally applicable to both the singular and plural forms of the terms as the content may require:

"Act" means the Arkansas Development Finance Authority Act.

"Affiliate," when describing a relationship with the Lender, shall mean any other bank controlled by or under common control with the Lender.

"Borrower" means the recipient of a loan, which is, has been, or will be filed by the Lender for enrollment under the Program.

"Claim" means any claim filed by the Lender pursuant to Section 5.3.

"Early Loan" means an Enrolled Loan where at the time of enrollment the amount of previously Enrolled Loans under this Agreement was less than \$3,000,000.

"Eligible Loan" means a loan made by the Lender to a Borrower for which the representations and warranties as set forth in Section 2.2 are true.

"Enrolled Loan" means a loan enrolled by ADFA pursuant to the terms of Article IV hereof.

"Lender" means all corporations organized pursuant to either the Arkansas Development Finance Corporation Act or the County and Regional Industrial Development Corporation Act, all banks, savings and loan associations, and any other lending institutions approved by the ADFA Board of Directors.

"Passive Real Estate Ownership" means ownership of real estate for the purpose of deriving income from speculation, trade or rental, except that such term shall not include (a) the ownership of that portion of real estate being used or intended to be used for the operation of the business of the owner of the real estate; or (b) ownership of real estate for the purpose of construction or renovation, until the completion of the construction or renovation phase.

"Program" means the Capital Access Loan Program established by the Arkansas Capital Access Program for Small Business Act of 1993.

Reserve Fund means an administrative account maintained by ADFA to account for funds accumulated pursuant to this Agreement to cover losses sustained by the Lender on Enrolled Loans.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by ADFA. With respect to any loan enrolled hereunder, ADFA makes the following representations and warranties as of the time of such enrollment:

(a) ADFA is a public body corporate and politic established and acting pursuant to the Act.

(b) ADFA has the necessary power under the Act, and has duly taken all action on its part required to authorize, execute and deliver this Agreement. This Agreement when executed will be valid, binding and enforceable in accordance with its terms. The execution and performance of this Agreement by ADFA will not violate or conflict with any instrument by which ADFA is bound.

Section 2.2. Representations by the Lender. With respect to any loan that the Lender files for enrollment hereunder, the Lender makes the following representations and warranties as of the time of each such filing:

(a) The Lender has obtained from the Borrower the following representations and warranties, and, based on knowledge that the Lender has, the Lender has no substantial reason to believe that such representations and warranties are not true:

(i) The Borrower is a corporation, partnership, joint venture, sole proprietorship, cooperative, or other entity, whether profit or nonprofit, which is authorized to conduct business in the State of Arkansas, and the proceeds of the loan will be used for an endeavor related to industrial, commercial or agricultural enterprise, or an combination thereof, within the State of Arkansas.

(ii) The proceeds of the loan will not be used for that portion of an endeavor devoted to housing.

(iii) The loan will not be used to finance Passive Real Estate Ownership.

(iv) The Borrower is not an executive officer, director, or principal shareholder of the Lender, or a member of the immediate family of an executive officer, director or principal shareholder of the Lender, or a related interest of any such executive office, director, principal shareholder or member of the immediate family. For the purposes of this provision, the terms "executive officer," "director," "principal shareholder," "immediate family," and "related interest" shall refer to the same relationship to the Lender, whether or not the Lender is a member bank, as the relationship specified for those terms in connection with member banks in Subpart A of Part 215 of Title 12 of the Code of Federal Regulations, including amendments of such Part 215 which may be made from time to time.

(b) The Lender further represents and warrants as follows:

(i) That the Lender has received from the Borrower a written representation, warranty, pledge and waiver in the form as set forth in Exhibit 1 stating that Borrower has no legal, beneficial or equitable interest in the non-refundable premium charges or any other funds credited to the Reserve Fund established to cover losses sustained by the Lender on Enrolled Loans.

(ii) That the Lender has not made the loan in order to place, under the protection provided by the Program, prior debt which is not covered under the Program and which is or was owed by the Borrower to the Lender or to an Affiliate of the Lender.

(iii) That the Lender has disclosed to the Borrower information concerning the Programs set forth on Exhibit 2 hereto, or such modified exhibit as may be specified by ADFA.

(iv) That the Lender has complied with all federal and state laws, rules and regulations pertaining to the making of the loan.

ARTICLE III

ESTABLISHMENT OF THE RESERVE FUND

Upon execution of this Agreement ADFA shall establish an administrative account in the name of ADFA for the purpose of receiving all required premium charges to be paid by the Lender and the Borrower, and transfers made by ADFA, pursuant to the terms of Section 5.1 hereof. The account shall be called the Reserve Fund _____ (the "Reserve Fund").

ARTICLE IV

ENROLLMENT OF LOANS IN PROGRAM

Section 4.1. Lender and Borrower Agreement. A loan to be filed for enrollment under this Agreement may be made with such interest rate, fees, and other terms and conditions as the Lender and Borrower may agree. The loan may be in the form of a line of credit, in which case the amount of the loan shall be considered to be the maximum amount that can be drawn down against the line of credit.

Section 4.2. Loan Enrollment. In order to enroll a loan under the Program, the Lender shall file the loan for enrollment by causing to be delivered to ADFA the following:

(a) A copy of Exhibit 3 in completed form, or such modified exhibit as may be specified by ADFA, bearing an execution signature of an authorized officer of the Lender.

(b) Transmittal of the non-refundable premium charges payable as set forth in Section 5.1 in connection with the loan by the Lender and the Borrower, or evidence that such transmittal has occurred, in accordance with procedures specified by ADFA.

The Lender shall file the loan for enrollment within ten (10) days after the Lender makes the loan. For the purposes of this Agreement, the date on which the Lender makes a loan shall be deemed to be the date on which the Lender first disburses proceeds of the loan to the Borrower, or such earlier date on which the loan documents have been executed and the Lender has obligated itself to disburse proceeds of the loan. For the purposes of this Agreement, the filing of a loan for enrollment shall be deemed to occur on the date on which the Lender delivers to ADFA, delivers to a professional courier service for delivery to ADFA, or mails to ADFA, the documentation required by this Section.

Section 4.3. Acknowledgment of Enrollment. Upon receipt by ADFA of the documentation identified in Section 4.2 hereof, ADFA shall enroll the loan unless the information provides pursuant to Section 4.2 indicates that the loan is not an Eligible Loan, and shall mail or otherwise deliver to the Lender, within five (5) business days of such receipt, an acknowledgment of enrollment, bearing the execution signature of an authorized representative of ADFA, including documentation of the amount being transferred by ADFA into the Reserve Fund pursuant to Section 5.1.

Section 4.4. Amount Covered. When filing a loan for enrollment, the Lender may specify an amount to be covered under the Program that is less than the total amount of the loan. Unless the context clearly requires otherwise, when used in this Agreement in connection with a loan or loans, the words "amount" and "proceeds" shall refer only to the amount covered under this Agreement.

Section 4.5. Covered Portion of Refinancings. If the Lender makes a loan to a Borrower which loan is a refinancing of a loan previously made to the Borrower by the Lender or an Affiliate of the Lender, where such prior loan was not enrolled under the Program, and if additional or new financing is extended by the Lender as part of the refinancing, the Lender may file the loan for enrollment pursuant to Section 4.2, with the amount of the loan to be covered under the Program not exceeding the amount of additional or new funding.

Section 4.6. Guarantee Fees on Refinancings

(a) In the event that an Enrolled Loan is refinanced, and the total amount to be covered under the Program does not exceed the covered amount of the loan as previously enrolled, the loan, as refinanced, may continue as an Enrolled Loan, and there shall be no additional premium charges payable, or transfers to be made by ADFA, into the Reserve Fund.

(b) If the refinancing of a loan under this Section results in the outstanding balance of an Enrolled Loan being increased, the Lender at the time of such refinancing shall be deemed to have made, with respect to such refinanced loan, the representations and warranties specified for the Lender in Section 2.2(a) and Section 2.2(b)(ii) and (iv) hereof.

Section 4.7. Re-enrollment for Refinancings. In the event that an Enrolled Loan is refinanced in an amount which does exceed the amount of the loan as previously enrolled, and if the Lender wishes the amount of the refinanced loan which is to be covered under the Program to exceed the amount covered when the loan was previously enrolled, the Lender shall file again the loan for enrollment pursuant to Section 4.2, with payments and transfers to be made into the Reserve Fund based on the amount to be covered which is in excess of the previous covered amount.

Section 4.8. Line of Credit Balance. For the purposes of this Agreement, fluctuations in the outstanding balance of a line of credit, without increasing the covered amount under the Program, shall not be deemed to be a refinancing of the loan.

Section 4.9. Enrolled Loan Balance. If the outstanding balance of an Enrolled Loan, which is not a line of credit, is reduced to zero, such loan shall no longer be considered an Enrolled Loan. If an Enrolled Loan which is a line of credit has an outstanding balance of zero for a twelve (12) month period, such line of credit shall not longer be considered an Enrolled Loan, unless before the expiration of the twelve (12) month period the Lender has reaffirmed in writing to the Borrower that the line of credit will remain open, and the Borrower has acknowledged in writing such reaffirmation.

ARTICLE V

USE OF THE RESERVE FUND

Section 5.1. Payments and Transfers to the Reserve Fund. The premium charges payable to the Reserve Fund by the Lender and the Borrower in connection with a loan being filed for enrollment with ADFA pursuant to Section 4.2 shall be prescribed by the Lender. ***The amount paid by the Borrower shall not be less than 1.5% of the amount of the loan, and shall not be greater than 3.5% of the amount of the loan. The amount paid by the Lender shall be equal to the amount paid by the Borrower. The Lender may recover from the Borrower the cost of the Lender's payment, in any manner in which the Lender and Borrower agree.*** When enrolling a loan under Article IV, ADFA shall transfer into the Reserve Fund, from available funds that have been allocated by the Board of Directors of ADFA to the Program, an amount determined as follows:

(a) If the amount of any loan, plus the amount of loans previously enrolled pursuant to this Agreement, is less than \$1,000,000, ADFA shall deposit into the Reserve Fund in each case an amount equal to 150% of the combined amounts paid into the Reserve Fund by the Borrower and the Lender for each Enrolled Loan.

(b) If prior to the enrollment of the loan, the amount of loans previously enrolled under this Agreement equals or exceeds \$1,000,000, ADFA shall transfer into the Reserve Fund an amount equal to the combined amounts paid into the Reserve Fund by the Borrower and the Lender for each Enrolled Loan.

(c) If the amount of loans previously enrolled pursuant to this Agreement is less than \$1,000,000 but the enrollment of a loan will cause the aggregate amount of all Enrolled Loans to exceed \$1,000,000, ADFA shall transfer into the Reserve Fund an amount equal to a percentage of the combined amount paid by the Lender and the Borrower, which percentage shall be determined:

(i) by multiplying by 150 that portion of the loan which when added to the amount of all previously Enrolled Loans totals \$1,000,000;

(ii) by multiplying the balance of the loan by 100; and

(iii) by adding together the products of such computations and dividing the sum by the total amount of the loan.

In connection with a loan which the Lender anticipates will become an Enrolled Loan, if the Lender wishes to assure itself that allocated funds are available to enable ADFA to transfer into the Reserve Fund upon enrollment the amount determined in accordance with this Section, the Lender may obtain a reservation from ADFA of the appropriate amount, in accordance with procedures specified by ADFA. Such reservation may be obtained before or after the Lender enters into the contract for the loan, and shall be binding on ADFA if ADFA receives the documentation identified in Section 4.2 with respect to such loan within twenty-five (25) days after the date of the reservation.

The maximum amount to be transferred into the Reserve Fund by ADFA over any three (3) year period in connection with any one Borrower, or any group of Borrowers among which a common enterprise exists, shall be \$150,000 unless pursuant to a written request by the Lender ADFA approves, in writing, the transfer of an amount in excess of \$150,000. For the purpose of this paragraph the term "common enterprise" shall have the same meaning given to it in Part 32 of Title 12 of the Code of Federal Regulations, including amendments of such Part 32 which may be made from time to time.

Section 5.2. Ownership, Control and Investment of Reserve Fund. All funds credited to the Reserve Fund shall be the exclusive property of and solely controlled by ADFA. ADFA may not withdraw funds from the Reserve Fund except as is specifically provided for in this Agreement.

If funds in the Reserve Fund are not deposited by ADFA in an account at the Lender, they shall be invested or reinvested by ADFA in (a) direct obligations of the United States of America or the State of Arkansas or in obligations the principal and interest of which are unconditionally guaranteed by the United States of America or the State of Arkansas or (b) a deposit account at a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation.

Interest or income earned on the funds credited to the Reserve Fund shall be deemed to be part of the Reserve Fund. However, ADFA is authorized and may withdraw at any time from the Reserve Fund fifty percent (50%) of all interest or income that has been credited to the Reserve Fund, except that subsequent to the first such withdrawal ADFA may not withdraw more than fifty percent (50%) of all interest or income that has been credited to the Reserve Fund since the time of the last such withdrawal. Any withdrawal made pursuant to this paragraph may be made prior to paying any Claim under Section 5.4, and none of such amounts withdrawn shall ever be required to be transferred back to the Reserve Fund.

If funds in the Reserve Fund are not deposited by ADFA in an account at the Lender, then ADFA shall provide to the Lender monthly transaction reports indicating the balance in the Reserve Fund, payments and transfers into the Reserve Fund, withdrawals from the Reserve Fund, and interest or income earned on funds credited to the Reserve Fund. The records of ADFA with respect to all payments and transfers into the Reserve Fund, withdrawals from the Reserve Fund, and interest or income earned on the funds credited to the Reserve Fund, shall be available to the Lender at the offices of ADFA during normal business hours.

If the funds in the Reserve Fund are deposited in an account with the Lender, the Lender shall provide to ADFA monthly transaction reports indicating the balance in the Reserve Fund, payments and transfers into the Reserve Fund, withdrawals from the Reserve Fund, and interest or income earned on funds credited to the Reserve Fund. The records of Lender with respect to all payments and transfers into the Reserve Fund, withdrawals from the Reserve Fund, and interest or income earned on the funds credited to the Reserve Fund, shall be available to ADFA at the offices of the Lender during normal business hours.

Section 5.3. Claims by Lender to Reserve Fund. If the Lender charges off all or part of an Enrolled Loan, the Lender may file a Claim with ADFA by submitting a completed claim form in the form attached hereto as Exhibit 4, or such modified exhibit as may be specified by ADFA, bearing the execution signature of an authorized officer of the Lender. Any Claim that is filed hereunder shall be filed contemporaneously with the action of the Lender to charge off all or part of the loan.

Lender's Claim may include in addition to the amount of principal charged off plus accrued interest, an amount which represents it out of pocket expenses incurred in pursuing its collection efforts, including preservation of collateral. The Lender shall retain documentation in its files evidencing all expenses for which a Claim is filed. The amount of principal and accrued interest included in the Claim shall not exceed the principal amount covered under the Program upon enrollment, plus accrued interest attributable to such covered principal amount.

The Lender shall determine when and how much to charge off on an Enrolled Loan in a manner consistent with its normal method for making such determinations on business loans which are not Enrolled Loans.

If the Lender files two (2) or more Claims contemporaneously, and if there are insufficient funds in the Reserve Fund at that time to cover the entire amounts of such Claims, the Lender may designate the order of priority in which ADFA shall pay such claims in accordance with Section 5.4

Section 5.4. Payment of Claims.

(a) Notwithstanding the violation of any other provision of this Agreement by the Lender, upon receipt by ADFA of a Claim filed by the Lender in accordance with Section 5.3, ADFA shall promptly pay, from funds in the Reserve Fund, such Claim as submitted, except that ADFA may reject a Claim when the representations and warranties provided by the Lender in Section 2.2 hereof were known by the Lender to be false at the time the loan was filed for enrollment.

(b) If there are insufficient funds in the Reserve Fund to cover the entire amount of the Lender's Claim, ADFA shall pay to the Lender an amount equal to the current balance in the Reserve Fund and the following shall apply:

(i) If the Enrolled Loan for which the Claim has been filed is not an Early Loan, such payment shall be deemed to fully satisfy the Claim, and the Lender shall have no other or further right to receive any amount from the Reserve Fund with respect to such Claim.

(ii) If the loan is an Early Loan such partial payment shall not be deemed to satisfy Lender's Claim, and at such time as the remaining balance of the Claim is not greater than seventy-five percent (75%) of the balance in the Reserve Fund at that time, ADFA, upon the request of the Lender, shall pay such remaining balance of the Claim.

(iii) ADFA will pay from the Reserve Fund an amount equal to the amount of any claims paid pursuant to this Section 5.4.

Section 5.5. Recovery by Lender Subsequent to Claim. If subsequent to payment of a Claim by ADFA the Lender shall recover from a Borrower any amount for which payment of the Claim was made, the Lender shall promptly pay to ADFA, for deposit in the Reserve Fund, such amount recovered less any out of pocket expenses incurred. The Lender shall retain documentation in its files evidencing any such expenses. The Lender shall only be required to pay to ADFA, for deposit in the Reserve Fund, amounts in excess of the amount of recovery needed to fully cover the Lender's loss on an Enrolled Loan.

For the purposes of this Section and Section 5.6, the Lender's loss on an Enrolled Loan shall include any losses on the loan involving principal, accrued interest and documented out of pocket collection expenses, including principal, accrued interest and documented out of pocket expenses attributable to principal amounts in excess of the amount covered under the Program or the principal amount included in the Claim.

Section 5.6. Subrogation.

(a) If the payment of a Claim pursuant to Section 5.4 has fully covered the Lender's loss on an Enrolled Loan, or if the payment of a Claim pursuant to Section 5.4, when combined with any recovery from the Borrower has fully covered the Lender's loss, ADFA, upon its request, shall be subrogated to the rights of the Lender with respect to any collateral, security or other right of recovery, in connection with the loan, which has not been realized upon by the Lender. The Lender thereafter shall assign to ADFA any right, title or interest to any collateral, security or other right of recovery in

connection with the loan. If such assignment has been made, ADFA shall not be required to undertake any obligations of the Lender pursuant to its loan documents, except for any obligations directly related to the exercise by ADFA of its assigned rights of recovery in connection with the loan. The Lender agrees that it will fulfill any other obligations it may have under the loan documents in the same manner and to the same degree as required had the assignment not been made. The Lender shall provide ADFA with all reasonable assistance thereafter as ADFA may request in proceeding with respect to any such collateral, security or other right of recovery, except that such reasonable assistance shall not require the Lender to incur any out of pocket expenses. Any funds received by ADFA as a result of enforcement actions taken with respect to any such collateral, security or other right of recovery shall be promptly deposited by ADFA in the Reserve Fund, less any out of pocket expenses incurred by ADFA in taking such enforcement actions.

(b) Notwithstanding any other provision of this Agreement, ADFA shall not exercise its right of subrogation unless ADFA determines, in its sole discretion, that the Lender has not exercised reasonable care and diligence in its collection activities with respect to the loan, or that there is a reasonable basis for believing that the Lender will not exercise such reasonable care and diligence in the future with respect to such collection activities.

(c) If ADFA determines that it desires to exercise its right of subrogation in connection with an Enrolled Loan, and would be entitled to exercise such right except for the fact that the Lender's loss has not been fully covered, ADFA, at its option, may pay, from funds in the Reserve Fund, an amount sufficient to result in the Lender's loss being fully covered, notwithstanding the fact that such payment may cover a principal amount not covered under the Program or not included in the Lender's Claim. Upon making such payment pursuant to this subsection, ADFA shall be subrogated to the rights of the Lender in accordance with Section 5.6(a) hereof.

ARTICLE VI

WITHDRAWAL OF EXCESS RESERVE FUNDS

If for any consecutive 36-month period, the aggregate outstanding balance of all Enrolled Loans is continually less than the outstanding balance in the Reserve Fund, ADFA may in its discretion, withdraw an amount from the Reserve Fund to bring the balance in the Reserve Fund down to the outstanding balance of all Enrolled Loans.

ARTICLE VII

TERMINATION

ADFA may terminate its obligation under this Agreement to enroll loans under the Program, in its sole discretion. Such termination shall be applicable on the effective date specified in the notice of termination, except that such termination shall not apply to any loan which is made on or before the date on which the notice of termination is received by the Lender. However, if ADFA is terminating the enrollment of loans, not merely for the Lender but instead for all participating lenders under the Program, ADFA shall provide notice of at least ninety (90) days to the Lender. Any terminations under this Section shall be prospective only, and shall not apply to any loans previously enrolled under the Program, except that if a previously Enrolled Loan is refinanced, the amount covered under the Program shall not be increased beyond the covered amount as previously enrolled. Subsequent to a termination pursuant to Article VII hereof, if the balance of the Reserve Fund is reduced to zero, this Agreement shall automatically terminate.

ARTICLE VIII

PLEDGE OF THE RESERVE FUNDS

ADFA pledges the funds in the Reserve Fund to be available to pay Claims pursuant to Section 5.4. ADFA further pledges that the Lender shall have a first security interest in the funds in the Reserve Fund to pay Claims pursuant to Section 5.4, and ADFA will not encumber or pledge the funds to any other party. Nothing contained herein is intended to diminish the ownership or control of the Reserve Fund granted to ADFA in Section 5.2, and further nothing contained herein shall affect the rights of ADFA to withdraw funds from the Reserve Fund pursuant to Section 5.2 or Article VI.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Amendments to Agreement. ADFA may, with at least forty-five (45) days' notice to the Lender, amend any provision of this Agreement. However, in the absence of the consent of the Lender, no such amendment shall be applicable to loans made prior to the effective date of the amendment, and no such amendment shall diminish Lender's rights with respect to funds in the Reserve Fund as of the effective date of the amendment.

Section 9.2. Information. The Lender shall provide ADFA with such information regarding its participating in the Program as ADFA may reasonably require.

Section 9.3. Inspection of Files. Upon notice to the Lender, ADFA may inspect the files of the Lender relating to any loans enrolled under the Program, during normal business hours of the Lender. ADFA agrees that it will not copy or extract any information from such files unless (a) the information is protected from disclosure pursuant to the Act, in which case ADFA agrees to invoke the confidentiality provisions of the Act or (b) if such information cannot be protected, the consent of the Borrower has been obtained. In addition, in the absence of the consent of the Borrower to do otherwise, ADFA shall maintain the confidentiality of information obtained from such files, irrespective of whether such information has been copied or extracted. Notwithstanding the foregoing, this Section is not intended to limit or preclude the ability of ADFA to exercise its right of subrogation, to withdraw funds from the Reserve Fund pursuant to Article VI, or to defend itself in any legal action commenced against ADFA by the Lender or any Borrower.

Section 9.4. Compliance with Applicable Law. The Lender shall comply with all applicable federal and state laws, rules and regulations.

Section 9.5. Limitation of Rights. This Agreement shall be for the exclusive benefit of the Lender and ADFA, and shall not be construed to give any person other than the parties hereto any legal or equitable right, remedy or claim under or in respect to the Agreement.

Section 9.6. Severability. If any clause, provision or section of this Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

Section 9.7. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given when delivered by messenger, by professional courier service or by registered or certified mail postage prepaid, return receipt requested, addressed as follows:

If to ADFA by mail:

**Arkansas Development Finance Authority
Attn: Camilla Davis
Arkansas Capital Access Program
900 West Capitol, Suite 310
Little Rock, Arkansas 72201**

If to the Lender:

Attention: _____

Section 9.8. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

Section 9.9. Reports of Regulatory Agencies. The Lender hereby consents to the transmittal to ADFA, by any financial institutions regulatory agency of the federal or state governments, any information directly relating to the Lender's participation in the Program. ADFA shall hold any information acquired pursuant to this Section strictly confidential.

Section 9.10. No personal liability. No member, officer or employee of ADFA, including any person executing this Agreement, shall be liable personally under this Agreement or subject to any personal liability for any reason relating to the execution of this Agreement or the Program.

Section 9.11. Collateral. Except upon the exercise of ADFA's right of subrogation as set forth in Section 5.6, ADFA shall have no legal or equitable interest in any collateral, security, or other right of recovery in connection with any loan enrolled in the Program, and therefore ADFA's consent is not necessary for any amendment to the Lender's loan documents. This Section shall not be construed to modify any obligation of the Lender to make payments to the Reserve Fund pursuant to Section 5.5.

Section 9.12. Within the context of the objectives of the Program, the Lender agrees to exercise reasonable care and diligence in the making and collection of loans under the Program.

Section 9.13. Captions. The captions in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or sections of this Agreement.

Section 9.14. Interpretation. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arkansas.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

Signature: _____

Title: _____

LENDER _____

Signature: _____

Title: _____

EXHIBIT 1

BORROWER'S REPRESENTATIONS REGARDING RESERVE FUND

The undersigned borrower (the "Borrower") acknowledges and understands:

(a) that the loan to be made to the Borrower will be filed for enrollment by the Lender in the Capital Access Program (the "Program"), a program established by the Arkansas Development Finance Authority ("ADFA"), an agency of the State of Arkansas;

(b) that the purpose of the Program is to assist the Lender in making loans that might otherwise not qualify for a loan from the Lender;

(c) that as a condition of having the loan filed for enrollment in the Program, the Borrower is required to pay a non-refundable premium charge to an administrative account called the Reserve Fund, which Reserve Fund is established by ADFA to help cover losses that the Lender may sustain on loans enrolled in the Program; and

(d) that the Borrower's payment of its non-refundable premium charge will be collected by the Lender for transmittal to the Reserve Fund, and that other payments or transfers will be made to the Reserve Fund by the Lender and ADFA.

The Borrower acknowledges the foregoing and hereby represents and warrants that it has not, 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 Reserve Fund, and hereby waives any right, claim or interest to any and all such funds paid or credited to the Reserve Fund from time to time.

Borrower Signature

Title: _____

Dated: _____

EXHIBIT 2

NOTICE TO BORROWER

This notice is provided to borrowers who may receive a loan from a lender under the Capital Access Program of the Arkansas Development Finance Authority.

The purpose of this program is to assist lenders to make loans that might otherwise not qualify for a lender loan. The program utilizes a special loss reserve 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 reserve, which is matched by a lender premium payment to the reserve. The Arkansas Development Finance Authority ("ADFA") will then match the combined total of the Borrower's payment and the lender's payment.

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, it is important to understand that it is still the lender that is bearing the risk of the loan. ADFA 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 the setting of 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 law applicable to any lender financing. ADFA 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 you with access to lender financing, you should understand that it is likely to be more expensive for you than would be the case with a conventional lender loan. Not only do you make a payment to the reserve, but it is expected that the lender may, in some manner, recover from you the cost of the lender's payment into the reserve.

EXHIBIT 3

LOAN FILING FORM

(1) **LENDER:** _____ (1a) **ADDRESS:** _____

(1b) **LENDER'S EMPLOYER ID #:** _____

(2a) **LOAN #:** _____ (2b) **LOAN AMOUNT:** _____

(2c) **LOAN AMOUNT TO BE GUARANTEED:** _____

(3) **BORROWER:** _____

(4) **ADDRESS:** _____ **ZIP:** _____

(5) **DATE OF INC./ BUSINESS START:** _____ (6) **CENSUS TRACT:** _____

(7) **LOAN DATE:** _____ (8) **NAICS CODE:** _____

(9) **ANNUAL REVENUES (LAST FISCAL YEAR):** _____

(10) **LOAN DESCRIPTION (PURPOSE, TERMS, MATURITY, RATE, COLLATERAL)**

(11) **AMOUNT OF EXISTING LOANS TO BORROWER (LOAN # & AMOUNT)** _____

(12) **FULL TIME EQUIVALENT JOBS:** # RETAINED because of loan _____ # CREATED because of loan _____

#FULLTIME EQUIVALENT EMPLOYEES at time of loan _____

(13) **START-UP?** YES _____ NO _____ **MINORITY/FEMALE?** YES _____ NO _____

(14) **TOTAL PREMIUM PAID: BORROWER:** _____ **LENDER:** _____

FILL OUT ITEMS 16-18 ONLY IF REFINANCING A PROGRAM LOAN

(15) **PREVIOUSLY COVERED LOAN AMOUNT** _____

(16) **BALANCE PRIOR TO REFINANCING** _____

(17) **NEW TOTAL LOAN AMOUNT** _____

(NOTE: IF LINE 17 IS GREATER THAN LINE 15, ADDITIONAL RESERVE IS REQUIRED)

IN FILING THIS LOAN FOR ENROLLMENT, THE LENDER MAKES THE REPRESENTATIONS AND WARRANTIES SPECIFIED IN SECTION 2.2 OF THE AGREEMENT.

AUTHORIZED SIGNATURE _____

NAME AND TITLE _____

DATE _____

ADFA USE ONLY

% BORROWER / LENDER PAYMENT _____

VERIFY PAYMENT RECEIVED _____

PREVIOUS ENROLLED LOANS _____

ADFA LOAN AMOUNT _____

ADFA TRANSFER AMOUNT _____

SIGNED _____

DATED _____

EXHIBIT 4

CLAIM FORM

1. Name of Lender _____
2. Lender ID # _____
3. Lender Loan # _____
4. Outstanding Balance of Loan (immediately prior to charge-off) _____
5. Amount of Claim
 - a. Principal _____
 - b. Accrued interest _____
 - c. Documented out of pocket expenses _____

Total Amount of Claim _____

Authorized Signature _____

Name and Title _____

Date _____