

**IOWA BUSINESS GROWTH COMPANY
IOWA CAPITAL ACCESS PROGRAM
LENDER PARTICIPATION AGREEMENT**

THIS LENDER PARTICIPATION AGREEMENT (the "Agreement") is entered into as of this ____ day of ____, 20____ by and between Iowa Business Growth Company, a for-profit corporation, whose address is 5409 NW 88th Street, Suite 100, Johnston, IA 50131 ("IBGC"), and _____ which is a financial institution, as defined by the 2010 Small Business Jobs Act, Title III – State Small Business Credit Initiative, Section 3002 (5) as ratified by the United States Congress, whose address is ____ (together with its successors and assigns, the "Lender").

RECITALS

WHEREAS, the State of Iowa has created the Iowa Capital Access Program (the "Program") under the authority provided by 2011 Iowa Acts, House File 590, section 7, to provide loan insurance to increase capital to businesses, particularly small and medium-sized businesses, to promote and develop the business and economic welfare in Iowa;

WHEREAS, the Iowa Economic Development Authority has designated IBGC to administer the Program, enter into any contracts necessary to carry out the Program, and take any action reasonably necessary to ensure compliance with the Program;

WHEREAS, IBGC 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; and

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

In addition to the words and terms defined elsewhere in this Agreement, each of the following words and terms used in this Agreement shall have the following meaning unless the context of use indicates a different meaning. Definitions shall be applicable to both the singular and plural forms of the terms as the content may require:

"Affiliate" when describing a relationship with the Lender, means any one or more bank subsidiaries (other than the Lender) of the Lender's parent corporation and its successors.

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

"Claim" means any claim filed by the Lender Pursuant to Section 5.3 of this Agreement.

"Eligible Loan" means a loan made by the Lender to a Borrower for which the representations and warranties are made by the Lender pursuant to Section 2.2 of this Agreement.

“Enrolled Loan” means a loan enrolled by IBGC under the terms of Section 4 of this Agreement. The amount of an enrolled loan may be less than, but not to exceed the total amount of the loan.

“Lender” means the insured depository institution, insured credit union, or community development financial institution (CDFI), as defined by the Small Business Jobs Act, Title III – State Small Business Credit Initiative, Section 3002 (5).

“Line of Credit” means a line of credit extended by the Lender to the Borrower.

“Maximum Enrolled Loan Amount” means the maximum aggregate outstanding amount of \$500,000 for any Enrolled Loan or Loans to a single Borrower or any common enterprise in which the Borrower has an ownership interest.

“Passive Real Estate Ownership” means ownership of real estate for the purpose of deriving income from speculation, trade, or rentals, except that the term does not include: the ownership of that part of real estate being used or intended to be used for the operation of the business of the owner of the real estate; or the ownership of real estate for the purpose of construction or renovation until the completion of the construction or renovation phase.

“Program” means the Iowa Capital Access Program, as provided in the State of Iowa’s Application to the United States Department of Treasury’s State Small Business Credit Initiative.

“Reserve Fund” means an interest bearing account established by IBGC with the Lender to hold funds accumulated pursuant to this Agreement to cover Claims made by the Lender under Section 5.3 of this Agreement.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by IBGC. With respect to any loan enrolled under this Agreement, IBGC makes the following representations and warranties as of the time of the each enrollment:

- (a) IBGC has the necessary power to authorize, execute, and deliver this Agreement;
- (b) This Agreement when executed will be valid, binding, and enforceable in accordance with its terms;
- (c) The execution and performance of this Agreement by IBGC will not violate or conflict with any instrument by which IBGC is bound; and
- (d) The funding for the Program has been received by IBGC from sources including the State Small Business Credit Initiative (SSBCI) through the Small Business Jobs Act of 2010.

Section 2.2 Representations by the Lender. With respect to any loan that the Lender files for enrollment under this Agreement:

(a) The Lender represents and warrants:

- (1) The loan has not been made in order to place under the protection of the Program prior debt that is not covered under the Program and that is or was owed by the Borrower to the Lender or to an affiliate of the Lender.
- (2) The loan is not a refinancing of a loan previously made to the Borrower by the Lender or an affiliate of the Lender.
- (3) 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;
- (4) That the Lender has disclosed to the Borrower information concerning the Program as set forth in Exhibit 2, or such modified exhibit as may be specified by IBGC;
- (5) That the Lender is in material compliance with all applicable federal and state laws and rules;
- (6) That the enrollment of the loan by the Lender will not violate the Maximum Enrolled Loan Amount.

(b) The Lender will obtain an assurance from the Borrower affirming:

- (1) The Borrower is an entity with 500 or less employees;
- (2) The loan proceeds must be used for a “business purpose.” A business purpose includes, but is not limited to, start up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities; and lobbying activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.
- (3) The loan proceeds will not be used to:
 - i. repay delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or
 - ii. repay taxes held in trust or escrow, e.g. payroll or sales taxes; or

- iii. reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance; or
- iv. purchase any portion of the ownership interest of any owner of the business.

(4) The Borrower is not:

- i. an executive officer, director, or principal shareholder of the Lender; or
- ii. a member of the immediate family of an executive office, director, or principal shareholder of the Lenders; or
- iii. a related interest of such executive office, director, principal shareholder, or member of the immediate family.

For the purpose of these three Borrowers restrictions, the terms "executive office", "director", "principal shareholder" "immediate family", and "related interest" refer to the same relationship to a Lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(5) The Borrower is not:

- i. a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or
- ii. a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company certified as a Community Development Financial Institution; or
- iii. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an every-increasing number of participants; or
- iv. a business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
- v. a business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

- (6) No principal of the borrowing entity has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, “principal” is defined as “if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership; and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity.”

ARTICLE III

ESTABLISHMENT OF THE RESERVE FUND

Upon execution of this Agreement, IBGC shall establish a Reserve Fund account in the name of IBGC for the purpose of receiving all required premium charges to be paid by the Lender and each Borrower, and transfers made by IBGC, pursuant to Section 5.1. See Appendix 1 for set-up instructions.

ARTICLE IV

ENROLLMENT OF LOANS IN THE PROGRAM

Section 4.1. A loan to be filed for enrollment under this Agreement is to enhance financing availability for small businesses in Iowa for the purposes of economic development. The loan shall be made to fulfill the intent of the program and may be made with the 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. Enrolling a Loan. In order to enroll a loan under the Program, the Lender shall file the loan for enrollment by delivering to IBGC the following:

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

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 of which the Lender delivers to IBGC, delivers to a professional courier service for delivery to IBGC, mails to IBGC, faxes to IBGC, emails scanned image to IBGC, or other method mutually approved by IBGC and Lender, the documentation required by this Section.

Section 4.3. IBGC Acknowledgement. Upon receipt by IBGC of the documentation identified in Section 4.2, IBGC shall enroll the loan unless the information provided indicates that the loan is not an Eligible Loan, and shall mail or otherwise deliver to the Lender, within ten (10) business days of such receipt, an acknowledgement of enrollment, bearing the execution signature of an authorized representative of IBGC, including documentation of the amount being transferred by IBGC 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. Refinancing Loans. 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 only up to the amount of additional or new funding

Section 4.6. Refinancing Enrolled Loans.

- (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 to IBGC to transfer 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 the 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).

Section 4.7. Enrolling Increased Amounts. In the event that an Enrolled Loan is refinanced in an amount which exceeds the amount of the loan as previously enrolled, and if the Lender wishes the amount of the refinanced loan to exceed the amount 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. Lines of Credit Balances. 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 Term Loans. The Bank may have a longer note maturity and amortization period, but the maximum period a term loan is covered under the Program is ten (10) years from the date of enrollment, and the maximum period a line of credit is covered is seven (7) years from the time of enrollment. In any event, maturities should match the Borrower's ability to repay, and the life of the asset purchased.

Section 4.10. Termination of an Enrolled Loan. If the outstanding balance of an Enrolled Loan that is not a line of credit is reduced to zero, that 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 twelve (12) month period, it shall no longer be considered an Enrolled Loan, unless before the expiration of the twelve (12) month period the Lender has affirmed in writing to the Borrower that the line of credit will remain open and the Borrower has acknowledged that reaffirmation in writing.

Section 4.11. Amounts Recovered in Bankruptcy. Any amount recovered from a Lender by a trustee in bankruptcy (or a similar representative of creditors) as a preference under 11 U.S.C. 547 remains an Enrolled Loan for the purpose of filing a claim against the Reserve Fund account.

ARTICLE V

USE OF THE RESERVE FUND

Section 5.1. Payments and Transfers to the Reserve Fund. The Lender shall set the premium charges payable to the Reserve Fund by the Lender and the Borrower in connection with a loan being filed for enrollment with IBGC pursuant to Section 4.2. The total amount paid by the Borrower and Lender shall not be less than 3% of the enrolled amount of the loan, and shall not be greater than 7% of the enrolled amount of the loan. The Lender must pay into the Reserve Fund an amount at its discretion, which may be recovered from the Borrower. When enrolling a loan under Article IV, IBGC shall transfer into the Reserve Fund, solely from available funds that have been allocated to the Program, a matching amount equal to the premium charges paid to the Reserve Fund account by the Borrower and Lender.

In connection with a loan that the Lender anticipates will become an Enrolled Loan, if the Lender wishes to assure itself that allocated funds are available to enable IBGC to make a Transfer of Fees upon enrollment, the Lender may obtain a reservation from IBGC of the appropriate amount, in accordance with procedures specified by IBGC. The reservation may be obtained before or after the Lender enters into the contract for the loan, and shall be binding on IBGC if IBGC receives the documentation identified in Section 4.2 of this Agreement with respect to such loan within Thirty (30) Business Days after the date of the reservation, provided that the Lender complies with all the requirements of Section 4.2.

Section 5.2. Ownership, Control and Investments of Reserve Fund. Subject to any applicable terms in IBGC's agreement with the Iowa Economic Development Authority for the administration of the program or to any applicable federal requirements, all funds credited to the Reserve Fund shall be the exclusive property of, and solely controlled by, IBGC. The IBGC may not withdraw funds from the Reserve Fund except as is provided for in this Agreement

Interest or income earned on the funds credited to the Reserve Fund shall be deemed to be part of the Reserve Fund. IBGC is authorized to withdraw at any time from the Reserve Fund fifty (50%) percent of all interest or income that has been credited to the Reserve Fund, except that after the first such withdrawal IBGC may not withdraw more than fifty (50%) percent of all interest or income that has been credited to the Reserve Fund since the time of the last such withdrawal. These withdrawals need not be returned to the Reserve Fund. Interest withdrawals may be used for any purpose in connection with the Program.

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 IBGC by submitting a completed claim form attached as Exhibit 4, or as otherwise approved by IBGC, bearing the execution signature of an authorized officer of the Lender. Any Claim that is filed under this Agreement shall be filed contemporaneously with the action of the Lender to charge off all or part of the loan.

Lender's Claim may include the amount of principal charged off plus up to ninety days' accrued interest, and up to one half (1/2) of the reasonable documented out of pocket expenses incurred in pursuing collection efforts, including the preservation of collateral. The amount of principal and accrued interest included in the Claim shall not exceed the principal amount covered under the Program upon enrollment, plus up to ninety days' accrued interest attributable to such covered principal amount.

The Lender may file more than one Claim in connection with a loan if the original Claim represented a partial charge-off of the loan or if the Lender incurs expenses in connection with a loan subsequent to the filing of a prior claim on that loan.

The Lenders shall determine when and how much to charge off on an Enrolled Loan in a manner consistent with its normal method of making such determination 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 those Claims, the Lender may designate the order of priority in which IBGC shall pay the claims in accordance with Section 5.4.

Section 5.4. Disbursement of Reserve Fund.

- (a) Notwithstanding the violation of any other provision of this Agreement by the Lender, upon receipt by IBGC of Claim filed by the Lender in accordance with Section 5.3, IBGC shall promptly pay, solely from funds in the Reserve Fund, the Claim as submitted, except that IBGC may reject a Claim when the representations and warranties provided by the Lender in Section 2.2 were known by the Lender to be false when the loan was enrolled.
- (b) If there are insufficient funds in the Reserve Fund to cover the entire amount of the Lender's Claim, the IBGC shall pay to the Lender an amount equal to the current balance in the Reserve Fund. Upon receipt of a completed Capital Access Special Claim Form attached as Exhibit 5, or a modified form as specified by IBGC, IBGC shall, out of any future funds that are transferred into the Reserve Fund account on subsequently Enrolled Loans, pay the remaining balance of the Claim upon a finding

that the partial payment has not satisfied the Claim, and that the remaining balance is not greater than seventy-five percent (75%) of the balance in the Reserve Fund account at the time IBGC receives the Special Claim Form.

Section 5.5. Recovery by Lender Subsequent to Claim. If after payment of a Claim by IBGC, the Lender recovers from a Borrower any amount for which payment of the Claim was made, the Lender shall promptly pay to IBGC for deposit in the Reserve Fund the amount recovered, less its out-of-pocket expenses. The Lender shall retain documentation in its files evidencing those expenses. The Lender shall only be required to pay to IBGC 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 may include loss of principal up to the enrolled amount, up to 90 days accrued interest on the enrolled principal balance, and up to one half (1/2) of the reasonable documented out-of-pocket expenses incurred by the Lender in pursuing collection efforts.

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, IBGC, 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 IBGC any right, title or interest to any collateral, security, or other right of recover in connection with the loan. If such assignment has been made, IBGC 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 IBGC 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 IBGC with all reasonable assistance thereafter as IBGC may require 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 IBGC as a result of enforcement actions taken with respect to any such collateral, security or other right of recovery shall be deposited by IBGC in the Reserve Fund, less any out of pocket expenses incurred by IBGC in taking the enforcement actions.
- (b) If IBGC 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, IBGC, at its option, may pay, from funds in the Reserve Fund, an amount sufficient to cover the Lender's loss 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, IBGC shall be subrogated to the rights of the Lender in accordance with this Section.

ARTICLE VI

REPORTING REQUIREMENTS

Section 6.1. Lender Reports. For each calendar year, the Lender is to submit to IBGC within 30 days of the year-end a report listing Borrowers and outstanding balances of all Enrolled Loans as of the end of the preceding calendar year. In computing the aggregate outstanding balance of all Enrolled Loans, the balance of any loan shall in no event be considered to be greater than the covered amount of the loan as enrolled and, in the case of lines of credit, the outstanding balance shall be considered to be the enrolled line amount. Such report must indicate the following:

- (a) Name of Borrower
- (b) Amount of Loan
- (c) Amount of Enrolled Loan
- (d) Type of Loan (Term or Line)
- (e) Outstanding Balance of Loan
 - (1) If term loan – show the lesser of the outstanding balance or the enrolled loan amount and the enrollment date.
 - (2) If line of credit – show the enrolled line amount and the maturity date.

Section 6.2. IBGC Reports. From time to time, but no less frequently than annually, IBGC shall submit a report to the Lender indicating the aggregate amount of funds available under the Program. If at any time such report indicates that the aggregate amount of available funds is less than \$1,000,000.00, then during the period of time until the next report, the Lender may, but shall not be required to, contact IBGC for confirmation of the aggregate amount of then available funds under the Program.

ARTICLE VII

WITHDRAWAL BY IBGC OF EXCESS RESERVE FUNDS

Section 7.1. If the annual reports filed under Section 6.1 indicate that, for the preceding year, the balance in the Reserve Fund account continuously exceeded fifty percent (50%) of the aggregate outstanding balance of all Enrolled Loans during that year, including unfunded portions of Enrolled Loans that are Lines of Credit, IBGC may make a withdrawal from the Reserve Fund account after providing a thirty (30) notice. The amount of the withdrawal may be no greater than the minimum amount of any excess as continuously maintained over the immediately preceding twelve (12) calendar month period. Withdrawals of excess funds from the Reserve Fund account by IBGC under this Section 7.1 may be used for any purpose in connection with the Program.

Section 7.2. If an annual report is not filed within thirty (30) days of the original due date of the report as established under Section 6.1 of this Agreement, IBGC may make a withdrawal from the Reserve Fund account, based on IBGC's reasonable determination, for the preceding year, that the balance in the Reserve Fund account continuously exceeded fifty percent (50%) of the aggregate outstanding balance of all Enrolled Loans during that year, including unfunded portions of Enrolled Loans that are Lines of Credit. The amount of the withdrawal may not be greater than the minimum amount of any excess as continuously maintained over the immediately preceding twelve (12) calendar months. Withdrawals of excess funds from the Reserve Fund account by IBGC under this Section 7.2 may be used for any purpose in connection with the Program.

Section 7.3. Notwithstanding any other provisions in this Agreement, IBGC shall not withdraw any funds from the Reserve Fund if any Claim by the Lender remains unpaid.

ARTICLE VIII

TERMINATION OF OBLIGATION TO THE LENDER

Section 8.1. IBGC may, in its sole discretion, terminate its obligation under this Agreement to enroll loans under the Program. The termination shall be applicable on the effective date specified in the notice of termination, except that the 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 IBGC is terminating the enrollment of loans not merely for the Lender but instead for all participating Lenders under the Program, IBGC 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 loan 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.

Section 8.2. After a termination pursuant to Section 8.1, if the balance of the Reserve Fund is reduced to zero, this Agreement shall automatically terminate.

ARTICLE IX

PLEDGE OF THE RESERVE FUND

IBGC pledges the funds in the Reserve Fund to be available to pay Claims pursuant to Section 5.4. IBGC 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 IBGC will not encumber or pledge the funds to any other party. This pledge does not, however, diminish the ownership or control of the Reserve Fund granted to IBGC in Section 5.2, and it shall not affect IBGC's right to withdraw funds from the Reserve Fund pursuant to Section 5.2 or Article VII.

ARTICLE X

LENDER CERTIFICATIONS

Section 10.1. The Lender certifies that it is in compliance with the requirements of section 103.121 of title 31, Code of Federal Regulations, a regulation that, at a minimum requires financial institutions, as that term is defined in section 5312 (a)(2) and (c)(1)(A) of title 31,

United States Code, to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify the person's identity, and determine whether the person appears on any list of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency.

Section 10.2. Consistent with OMB Circular A-129, the Lender certifies that it has at least 20% of its own capital at risk in any loan enrolled in the Program, unless a waiver has been granted.

Section 10.3. The Lender certifies that no principal of the Lender has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, "principal" is defined as "if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity. The lender shall notify Iowa Business Growth Company if the sex offender certification becomes obsolete.

ARTICLE XII

MISCELLANEOUS

Section 11.1. Amendments to Agreement. IBGC may, with at least thirty (30) 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 or enrolled prior to the effective date of the amendment, and no such amendment shall diminish the Lender's rights with respect to funds in the Reserve Fund account as of the effective date of the amendment.

Section 11.2. Lender Information. The Lender shall provide IBGC with such information regarding its participation in the Program as IBGC may reasonably require.

Section 11.3. Inspection of Files. Upon notice to the Lender and during its normal business hours, IBGC or any party that IBGC appoints for this purpose and the United States Treasury Inspector General or any other authorized representative of the Treasury may inspect the files of the Lender relating to any loans enrolled under the Program.

Section 11.4. Limitation of Rights. This Agreement shall be for the exclusive benefit of the Lender and IBGC, 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, this Agreement.

Section 11.5. Notices. All notices, certificates, requests, filings or other communications under this Agreement shall be deemed sufficiently given when delivered by messenger, professional courier service, or by registered or certified mail, postage prepaid, return receipt request, addressed as follows:

IBGC: Iowa Business Growth Company
ATTN: Iowa Capital Access Program
5409 88th Street, Suite 100
Johnston, IA 50131

Lender: _____
ATTN: _____

Section 11.6. Contact Person. IBGC and the Lender shall each designate a primary and secondary contact person or position for purposes of sending and receiving all communications between IBGC and the Lender required under this Agreement.

Section 11.7. Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, the undersigned parties and their respective successors and assigns.

Section 11.8. No Personal Liability. No member, officer, or employee of IBGC or of the Lender, 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 11.9. Collateral. Except upon the exercise of IBGC's right of Subrogation as set forth in Section 5.6 of this Agreement, IBGC shall have no legal or equitable interest in any collateral, security, or other right of recovery in connection with any Enrolled Loan; and IBGC'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 account pursuant to this Agreement.

Section 11.10. Lender's Making and Collection of Loans. Within the context of the objectives of the Program, the Lender agrees to exercise the same degree of care and diligence in the making and collection of Enrolled Loans as it does in making and collecting loans in the ordinary course of its business.

Section 11.11. Captions. The captions in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent or any provisions or sections of this Agreement.

Section 11.12. Interpretation. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Iowa, excluding its conflicts of laws provisions.

Section 11.13. Compliance with Applicable Law. The Lender shall comply with all state and federal laws, rules and regulations.

Section 11.14. Reports of Regulatory Agencies. The Lender consents to the transmittal to IBGC, by any financial institutions regulatory agency of the federal or state governments, any information directly relating to the Lender's participation in the Program. To the extent permitted by law, IBGC shall hold any information acquired pursuant to this Section confidential.

Section 11.15. Severability. If any clause, provision or section of this Agreement is held illegal or invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provision or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section has not been contained herein.

Section 11.16. Entire Agreement. The Lender and IBGC declare and represent that no promise, inducement or agreement not herein expressed or referred to has been made to any party. The parties further declare and represent that the entire agreement between the parties is contained within this Agreement, which has been drafted pursuant to the Act, and that the terms of this Agreement are contractual and not a mere matter of recital.

Lender: By: _____
 Title: _____
 Date: _____
 Attest: _____

IBGC: By: _____
 Title: _____
 Date: _____
 Attest: _____

Appendix 1

Iowa Business Growth Company

ICAP Reserve Account

Set-up Instructions

Participation in the Iowa Capital Access Program requires that a demand account be established at the Lender Institution in the name of the Iowa Business Growth Company (IBGC) to hold the reserve deposits from the Lender/Borrower and IBGC. The demand account must be interest bearing, have no initial balance requirement, and must not bear any fees. IBGC must receive monthly account statements. Online account access and banking capabilities will be required for the account. Please email all bank account and online access set-up documentation and signature cards to jim@iowabusinessgrowth.com or mail to the address below, attn: ICAP Reserve Accounts.

Please set-up reserve account as follows:

Account Name: Iowa Business Growth Company
ICAP Reserve Account

Address: 5409 Northwest 88th Street, Suite 100
Johnston, IA 50131

Personal info: Tax ID #, authorized signers, and additional personal information (IADL #, SSN, etc...) for account signers will be made available upon request. Please contact Jim DePauw at (515) 223-4511 ext.105 for this information or any additional questions about initial bank set-up.

IBGC will make matching enrollment deposits into the reserve account via ACH transfer. Please complete the following information and submit to: jim@iowabusinessgrowth.com.

Bank Name:

Account Number:

ABA #:

ACH Contact Name:

ACH Contact Telephone:

ACH Contact Email: