

CLOSING INSTRUCTIONS – CHARITON VALLEY TELEPHONE. CORP. – MISSOURI 535-U42 BUCKLIN

DOCUMENTS SENT TO BORROWER

1. LOAN AGREEMENT

- ☒ three blue-backed original counterparts to be executed.
- ☒ one copy.

2. NOTES (all blue-backed original notes must be executed.)

*RUS Note* \$42,960,000

- ☒ one blue-backed original.
- ☒ one copy.

*RUS Hardship Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

*RTB Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

*FFB Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

*Reimbursement Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

*BB Cost-of-Money Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

*BB Hardship Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

*BB Guarantee Note* \$0

- ☐ one blue-backed original.
- ☐ one copy.

3. MORTGAGE

- ☒ 5 counterparts to be executed and filed in the following counties listed in Schedule B, #1, of the Mortgage.  
Carroll, Chariton, Linn, Macon and Randolph
- ☒ 4 copies for the parties to the Mortgage.
- ☒ 1 copy.

4. UCC FORM

- ☒ one UCC-1 with UCC-AD addendum, and Attachments A and B.

5. CERTIFICATE OF RESOLUTIONS

- ☒ one Secretary's Certificate, if Borrower is a corporation, to be adopted by the Board of Directors.
- ☐ one Members' Authorization, if Borrower is an LLC, approving the loan and all necessary actions.
- ☐ one LLC Member's Certificate, for each member of Borrower that is not an individual.

6. ATTORNEY DOCUMENT

- ☒ one form Opinion of Counsel.

**NOTE:** The Deposit Account Control Agreement is not included in this package. The agreement must be downloaded from the RUS website at <http://www.usda.gov/rus/telecom/broadband.htm> and must be completed by inserting the applicable information. It must be executed by the Borrower and the Bank and returned with the other loan documents for all Broadband loans. Other types of loans may also require a Deposit Account. Such requirement, when imposed, will be in the loan agreement.

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#### **STEP 1: OBTAINING BORROWER AUTHORIZATIONS.**



- The enclosed Secretary's Certificate, LLC Members' Authorization, and LLC Member's Certificate (for Borrowers with members that are corporations) approving execution of the Loan Agreement, Note(s), Mortgage and Deposit Account Control Agreement, must be adopted by the respective Board of Directors/Trustees, if the Borrower is a corporation, or by the respective Members or Manager(s), if the Borrower is an LLC, at the meeting prior to the execution of said documents.
- Copies of the Loan Agreement, Note(s), Mortgage and Deposit Account Control Agreement must be presented at the meeting.

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#### **STEP 2: OBTAINING REGULATORY AUTHORIZATIONS.**



- If the Loan Agreement, Note(s), Mortgage, or Deposit Account Control Agreement requires prior regulatory authorization, those documents must not be executed until the order of the appropriate regulatory authority has been obtained. Such regulatory authorization often includes a Commission Order.
- It is the responsibility of the Borrower and its counsel to obtain all appropriate regulatory authorizations BEFORE closing the loan. Any references to regulatory approvals or the lack thereof in any of the loan closing documents is subject to the independent verification and opinion of Borrower's counsel. Advise the Office of General Counsel at USDA of any discrepancies before closing the loan.

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#### **STEP 3: EXECUTING THE DOCUMENTS.**



It is strongly recommended that counsel personally supervise the execution of the documents:

- **Loan Agreement.**
  - ☐ Three blue-backed Loan Agreements must be executed on behalf of the Borrower by its President, Managing Members, Manager, or other governing official AFTER adoption of the Resolutions or Members' Authorizations.
  - ☐ The Borrower's corporate seal, if any, must be affixed to the Loan Agreement and attested by the Borrower's corporate secretary.
- **Note(s).**
  - ☐ One blue-backed original Note for each Note listed in the documents package on page one must be executed on behalf of the Borrower by its President, Managing Members, Manager, or other governing official AFTER adoption of the authorizations and all required regulatory authorizations have been obtained.
  - ☐ The Borrower's corporate seal, if any, must be affixed to the Note(s) and attested by the Borrower's corporate secretary, if any.
- **Deposit Account Control Agreement (required for all Broadband Loans and other loans if stated in the Loan Agreement).**

- ☐ Three Deposit Account Control Agreements must be executed on behalf of the Borrower by its President, Managing Members, Manager, or other governing official AFTER adoption of the corporate authorizations and all required regulatory authorizations have been obtained.
- ☐ The Agreements must be signed by an official of the depository bank and returned to RUS with evidence of the bank official's authority to sign for the bank (*Bank Bylaws and Officer Incumbency Certificate*).

- **Mortgage.**

- ☐ The numbered counterparts of the Mortgage must be executed on behalf of the Borrower by the President, Managing Members, Manager, or other governing official AFTER adoption of the corporate resolutions and all required regulatory authorizations have been obtained.
- ☐ The Borrower's corporate seal, if any, must be affixed to the Mortgage and attested by the Borrower's corporate secretary.
- ☐ The execution of each of the counterparts of the Mortgage must be witnessed by two witnesses and acknowledged before a notary public.
- ☐ The notary public cannot be a witness, board member, Member (if the Borrower is a LLC), governing official, or officer of the Borrower.
- ☐ Prior to execution of the Mortgage by the Borrower, Property Schedule B should be examined to determine whether it is current. Borrower's counsel is authorized to make any changes or additions to the Property Schedule necessary to accurately reflect the real estate holdings of the Borrower at the time the Mortgage is executed. If changes to the Property Schedule are necessary, a copy of the changed or added pages, marked to show the changes or additions, must be included with the returned loan documents as discussed in the final step.

- **Secretary's Certificate or LLC Members' Authorization.**

- ☐ Prepare a certificate containing copies of all resolutions relevant to the loan, using the enclosed form. Do not send in complete copies of the entire minutes. If the Borrower is an LLC, prepare the Members' Authorizations, which must be signed by the Members and Manager, if any, in lieu of the Secretary. (Hereinafter, Members shall mean Members and Manager, if any).
- ☐ If the meeting was a regular meeting, change the word "special" to "regular" in the first sentence.
- ☐ Insert the date the Loan Agreement, Note(s), Mortgage and Deposit Account Control Agreement were executed.
- ☐ Insert the names and titles of the officers or other officials who have executed and attested the Loan Documents in the appropriate places and have them sign their names opposite their respective titles.
- ☐ Be sure that the Secretary or Members have executed and dated the certificate or authorizations, and affixed the corporate seal, if any.
- ☐ In the event that an LLC has a Member that is not an individual, an LLC Member's Certificate must be completed for each such member, in addition to the LLC Members' Authorizations.

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#### STEP 4: RECORDING THE DOCUMENTS

- ☐ It is the responsibility of the Borrower and its counsel to record the Mortgage and any necessary financing statements in the manner and locations necessary to give RUS and any other Mortgagees a perfected first lien on all of the real and personal property of the Borrower under the Mortgage. The following is a description of the steps necessary to perfect against the real and personal property in most states. However, many states have unique filing requirements

and you should make an independent determination regarding the method for assuring that the loans being made by RUS are properly secured.

#### Generic Rules for Filing against Real Estate:

In most states, to create a first lien on real estate, executed counterparts of the Mortgage should be filed for registering and indexing as a real estate mortgage in the appropriate offices in the counties in which the Borrower owns real estate. If the Borrower owns real property which is not listed on the property schedule attached to the Mortgage, the property schedule should be corrected to add these additional parcels and the Mortgage should be filed against these additional parcels as well. Separate counterparts of the Mortgage should be used for each recording and filing required by state law. RUS will require for its files the recorded counterparts, with the recording, filing and indexing date endorsed thereon. If local practices require filing a Notice of Filing or the like in lieu of filing the Mortgage itself, RUS will require the original recorded Notice of Filing for its files.

#### Generic Rules for Filing against Personal Property and Fixtures under Article 9 of the Model Uniform Commercial Code.

Under the Model Code, in order to perfect a security interest in the personal property of the Borrower as a transmitting utility, a financing statement must be filed with the Secretary of State of the state in which the Borrower is organized. The proper place to file in order to perfect a security interest in fixtures is with the Secretary of State of the state in which the Borrower is organized as well as any additional states in which the fixtures are located.

PLEASE NOTE: Many states have departed from the Model Code either in the form in which Revised Article 9 is adopted or by separate statute, therefore, the Borrower's attorney must make an independent determination regarding the proper place of filing and the form of security agreement and financing statement needed to assure that the mortgagees have a priority lien on the Borrower's personal property and fixtures.

In the event that your state complies with the Model Code, please find attached a form of UCC-1 and UCC-1AD. RUS has completed the blocks for the secured party and collateral description on the UCC-1 and provided a collateral description, Exhibit A, to be attached to the UCC-1. Additionally, a form UCC-1AD, with both the transmitting utility block and fixture filing block checked, must be filed with the UCC-1. RUS will require for its files a copy of the filed UCC-1 and UCC-1AD with attached exhibits or equivalent document used in your state.

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#### STEP 5: PROVIDING THE LEGAL OPINION.



- ☐ Borrower's counsel must provide an opinion, addressed to the Administrator of RUS, substantially in the form enclosed.
- ☐ The opinion must be prepared on counsel's letterhead stationery.
- ☐ Only a signed, original opinion, DATED SUBSEQUENT to the authorization and execution of the loan documents and the last recordation of the Mortgage will be accepted.
- ☐ The form of opinion should be carefully studied by counsel. NOTE that it requires a PRIOR examination of the records and files of offices in which liens against the collateral might be recorded, filed or indexed. NOTE ALSO that the opinion requires a statement by counsel as of the date of the opinion that the property of the Borrower is free and clear of all liens whatsoever except Permitted Encumbrances as defined in the Mortgage.

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**STEP 6: RETURNING THE DOCUMENTS.**

- Documents should be returned all at the same time in one mailing.
- Documents should be mailed to:

Rural Utilities Service,  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W.  
Stop 1595, Room 2835, South Building  
Washington, D.C. 20250-1595  
Attention: Mr. Jerry H. Brent

- The Telephone Number of the RUS loan specialist, Mark Walther, assigned to this case is (202) 720-0789.
  - Return all of the following documents in the completed loan closing package:
- ☐ **Secretary's Certificate, LLC Members' Authorizations, and/or LLC Member's Certificate.** Attach a copy of the Resolutions or Authorizations presented at the corporate meeting. Be certain the Secretary has signed, dated and sealed the certificate, or if an LLC, that the Members have signed, dated, and sealed, if a seal exists, the Authorizations. In addition, verify that the certificate or authorizations contain the titles and signatures of the officials who have signed and attested the Loan Documents.
  - ☐ **Regulatory Approvals.** If required, a certified or true copy of any regulatory approvals, authorizing execution of the Loan Agreement, Note(s), Mortgage and Deposit Account Control Agreement, such as a Commission Order.
  - ☐ **Loan Agreement.** Two original, executed counterpart.
  - ☐ **Note(s).** An original, executed Note for each Note(s) listed in the documents package on page 1.
  - ☐ **Mortgage.** An original, counterpart of the Mortgage for each office where the Mortgage was recorded, showing the recording, filing and indexing data, including book and page numbers. In addition, three unrecorded original counterparts of the Mortgage that have been properly executed, witnessed, and notarized.
  - ☐ **Pledged Deposit Account Control Agreement.** If required, **three** original, executed copies. (Two copies will be returned to the Borrower after execution by RUS and the RTB.)
  - ☐ **UCC-1 with UCC-1AD** and other attachment(s), or equivalent document(s) used to perfect a priority lien upon the Borrower's personal property and fixtures, stamped as having been filed.
  - ☐ **Opinion of Counsel.** One original, dated, and signed opinion on the firm's letterhead. **NOTE:** If the Borrower's Counsel identifies legal issues requiring the attention or assistance of legal counsel, Counsel may contact the Loan Specialist identified above who will direct the call to an attorney. **LOAN FUNDS CANNOT BE ADVANCED UNTIL ALL OF THE FOREGOING DOCUMENTS HAVE BEEN RECEIVED AND DETERMINED TO BE SATISFACTORY.**