

**PACKET A—TRANSMITTAL SHEET—NOTICE TO FCA TO ORGANIZE
OR INVEST IN AN UNINCORPORATED BUSINESS ENTITY (UBE) UNDER
FCA REGULATION § 611.1154**

System Institution(s) Submitting UBE Notice

INSTRUCTIONS Please use this transmittal sheet to provide notice to FCA if you (the System institution) intend to organize or make an equity investment in a UBE whose activities under the notice provision are limited to one of these purposes: (1) acquiring and managing unusual or complex collateral associated with loans (i.e., acquired property UBEs); (2) providing hail and multi-peril crop insurance together with at least one other System institution that is not your subsidiary association; or (3) any other type of UBE business activity that FCA deems appropriate for this notice provision. See Section I for acquired property UBEs and Section II for hail and multi-peril crop insurance UBEs.

If you intend to invest in an acquired property UBE that is being formed by a non-System person or entity, you should still provide notice in accordance with these procedures. See Section IE.

You should also use this transmittal sheet to provide notice to FCA if you intend to become a partner in a hail or multi-peril crop insurance UBE or an acquired property UBE that has been grandfathered under § 611.1158 or formed under § 611.1154. See Section III.

FCA must receive your written notice no later than 10 business days in advance of your equity investment in a UBE for one of the authorized purposes listed above. If it is determined that your investment requires approval under § 611.1155, FCA will notify you before the end of the 10 business day advance notice period that you may not proceed under the notice provision. An approval request must then be filed in accordance with the procedures in packet B.

If you are a single System institution providing the notice, provide your information below. If more than one System institution is involved, the institution designated as the lead institution should provide its information below and information on the remaining System institutions provided in Section IV of this transmittal sheet.

SYSTEM INSTITUTION OR LEAD SYSTEM INSTITUTION PROVIDING NOTICE:

Institution Name _____ CEO Name _____

Submitting Official's Name and Title _____

Mailing Address _____

Telephone _____ E-Mail _____ Fax _____

TYPE OF UBE REQUEST

SECTION I. IF THIS NOTICE IS FOR INVESTING IN OR ORGANIZING A UBE TO HOLD AND MANAGE ACQUIRED PROPERTY COMPLETE THE INFORMATION IN THE BOXES BELOW (IA-IE):

IA. Identify the business structure of the UBE, by checking one of the boxes below:

LLP LLC LLLP Trust Entity Other

IB. Will the UBE include only System institutions?

- Yes If yes, identify all System institutions in Section IV of this transmittal sheet.
- No If no, proceed to IC.

IC. Will the UBE include both System institutions and non-System persons or entities?

- Yes If yes, identify all System institutions in Section IV and all non-System persons or entities in Section V.
- No If no, proceed to IE.

ID. If the UBE will be for acquired property involving multi-lenders that include both System institutions and non-System persons or entities, will subsidiaries of the principal UBE be created to hold each investor's pro rata interest in the principal UBE holding the acquired property?

Yes No

IE. Are you providing notice to invest in an acquired property UBE being organized by a non-System person or entity?

Yes No

If yes, identify the non-System person or entity that is organizing the UBE, the name of the UBE, and the State in which the UBE is being organized:

Name of the Organizing non-System Person or Entity: _____

Name of the UBE: _____

State in which UBE is being organized: _____

SECTION II. ARE YOU PROVIDING THIS NOTICE TO INVEST IN OR ORGANIZE A UBE WHOSE PURPOSE IS TO PROVIDE HAIL AND MULTI-PERIL CROP INSURANCE?

Yes No

If yes, identify the business form of the UBE by checking one of the boxes below:

LLP LLLP LLC Trust Entity Other

SECTION III. ARE YOU PROVIDING NOTICE TO INVEST IN AN EXISTING UBE FOR ACQUIRED PROPERTY OR TO PROVIDE HAIL AND MULTI-PERIL CROP INSURANCE THAT HAS BEEN GRANDFATHERED UNDER § 611.1158 OR FORMED UNDER § 611.1154?

Yes No

If yes, identify the UBE by its name and the State in which it is organized:

Name: _____ State Organized In: _____

SECTION IV. IF THIS NOTICE INVOLVES TWO OR MORE SYSTEM INSTITUTIONS THAT WILL OWN THE UBE, PROVIDE INFORMATION ON THE OTHER SYSTEM INSTITUTION(S) BELOW. IF NEEDED, USE AN ADDITIONAL SHEET TO LIST ANY REMAINING SYSTEM INSTITUTIONS AND ATTACH IT TO THIS TRANSMITTAL SHEET.

(1) System Institution _____ CEO _____
Telephone _____ E-Mail _____ Fax _____
Mailing Address _____

(2) System Institution _____ CEO _____
Telephone _____ E-Mail _____ Fax _____
Mailing Address _____

(3) System Institution _____ CEO _____
Telephone _____ E-Mail _____ Fax _____
Mailing Address _____

(4) System Institution _____ CEO _____
Telephone _____ E-Mail _____ Fax _____
Mailing Address _____

(5) System Institution _____ CEO _____
Telephone _____ E-Mail _____ Fax _____
Mailing Address _____

(6) System Institution _____ CEO _____
Telephone _____ E-Mail _____ Fax _____
Mailing Address _____

SECTION V. IF THIS NOTICE IS FOR AN ACQUIRED PROPERTY UBE THAT INVOLVES BOTH SYSTEM INSTITUTIONS AND NON-SYSTEM PERSONS OR ENTITIES, PROVIDE THE INFORMATION ON THE SYSTEM INSTITUTIONS IN SECTION IV ABOVE AND INFORMATION ON ALL NON-SYSTEM PERSONS OR ENTITIES BELOW. USE AN ADDITIONAL SHEET TO LIST ANY REMAINING SYSTEM OR NON-SYSTEM PERSONS OR ENTITIES IF NEEDED AND ATTACH TO THIS TRANSMITTAL SHEET.

- (1) Name of Non-System Person or Entity _____
- (2) Name of Non-System Person or Entity _____
- (3) Name of Non-System Person or Entity _____
- (4) Name of Non-System Person or Entity _____
- (5) Name of Non-System Person or Entity _____
- (6) Name of Non-System Person or Entity _____
- (7) Name of Non-System Person or Entity _____
- (8) Name of Non-System Person or Entity _____

PACKET A—DOCUMENTATION CHECKLIST—DOCUMENTS REQUIRED WHEN PROVIDING NOTICE TO FCA under FCA Regulation § 611.1154

INSTRUCTIONS: If a single System institution is providing the notice, the information described in tabs A through E must accompany the notice to FCA. If the notice is from two or more System institutions, the lead System institution must provide the information in tabs A through E and all other System institutions must provide the information in tabs C and D only.

If you are providing the notice to organize an acquired property UBE, you must provide the information in tabs A-E. If the notice is limited to an equity investment in an acquired property UBE being organized by another System institution or a non-System person or entity, provide the information in tabs C and D only. No board statements (see tab D) are needed for equity investments in acquired property UBEs. Board statements are needed for investing in or organizing hail and multi-peril crop insurance UBEs.

If you are providing the notice in order to invest in a UBE that is grandfathered under § 611.1158 or formed under § 611.1154, you must provide the information in tabs A, C, and D and include a copy of the membership, partnership, or operating agreement that permits your institution to join the UBE.

If you do not provide an item required under the notice provision in § 611.1154 because it does not appear to apply to your notice, indicate N/A in the last column. At the end of this Documentation Checklist, explain the reason it is not applicable. Please note that FCA may request additional supporting documents or other related documents after an initial FCA review of your notice.

Location	Topic	Item #	Description of Document	Check (v) if Provided
Tab A	General	1	Table of contents listing material and documents submitted by Tab numbers	
		2	Completed transmittal sheet	
Tab B	UBE Articles of Formation (SEE FCA REGULATION § 611.1154(b)(1))	3	Identify the UBE name, type of business entity, the State in which the UBE is organized, length of time the UBE will exist, its partners, members or trustees, and the UBE's management structure. Include any other applicable articles of formation documents as defined in § 611.1151.	
Tab C	Equity Investments (SEE FCA REGULATION § 611.1154(b)(2))	4	If this notice is for the purpose of investing in a single-member UBE for acquired property only, identify your equity investment in the UBE.	
		5	If this notice is for a multi-member UBE, either for acquired property or hail and multi-peril crop insurance, specify the equity investments of the individual System institutions.	
		6	If this notice is for a multi-member UBE for acquired property that involves both System institutions and non-System persons or entities, specify the equity investments of the individual System institutions and identify the party that controls the UBE.	
		7	If this notice is to invest in a UBE for acquired property that is being organized by a non-System person or entity, specify the equity investment of the System institution and identify the party that will control the UBE.	
Tab D	System Institution Approvals (SEE FCA REGULATION § 611.1154(b)(3)-(b)(4))	8	A certified resolution of the institution's board of directors authorizing (1) the equity investment in the UBE, (2) the UBE business activity, and (3) the board's approval to submit the notice to FCA. <u>For acquired property UBEs only</u> , the board may adopt a blanket resolution (provide a copy of the resolution in tab D to cover all acquired property UBEs it organizes or invests in. <u>For hail and multi-peril crop insurance UBEs only</u> , include a board statement with the certified board resolution that the UBE:	
		a)	Is necessary or expedient to the institution's business. The statement must explain the reasons why the UBE's business activity, services or functions are <u>necessary or expedient</u> to the business of one or more System institutions owning the UBE. (FCA regulation § 611.1153(a)(1)).	
		b)	Will operate with transparency;	

Documentation Checklist—Documents Required when Providing Notice to FCA to Organize or Invest in a UBE (continued)				
Location	Topic	Item #	Description of Document	Check (v) if Provided
Tab D (cont.)			c) Will conduct its business activity in a manner designed to prevent conflicts of interest between the UBE’s purpose and operations and the mission and operations of the System institution itself;	
			d) Will comply with all applicable Federal, State, and local laws; and	
			e) Will not be used by the System institution to make direct loans, perform any functions or provide any services that the System institution is not authorized to perform or provide under the Act and FCA regulations, or that exceed the purpose of the UBE as stated in its articles of formation	
		9	Provide a letter from the funding bank that it has approved the institution’s equity investment in the UBE. For acquired property UBEs only , the funding bank may provide a copy in Tab D of its blanket approval letter to cover all such UBEs that its district associations may invest in or organize.	
		10	Include with the notice any additional information the institution wishes to provide.	
Tab E	Restrictions and Prohibitions (SEE FCA REGULATION § 611.1153(A)-(K))	11	Indicate your institution’s compliance (v) in this notice with the following regulatory restrictions or prohibitions on UBEs:	Check (v) Below for Compliance
			<ul style="list-style-type: none"> The UBE’s business activity, services or functions are necessary or expedient to the business of one or more System institutions owning the UBE (FCA regulation § 611.1153(a)(1)) 	
			<ul style="list-style-type: none"> The UBE’s business activity, services or functions are not greater than the business activity, functions or services that one or more System institution owners are authorized to perform under the Act. (FCA regulation § 611.1153(a)(2)). 	
			<ul style="list-style-type: none"> The UBE will not engage in direct lending activities or any other activity that would circumvent the application of cooperative principles. (FCA regulation § 611.1153(b)). 	
			<ul style="list-style-type: none"> The UBE is held out to the public as a separate or subsidiary entity. The UBE’s business transactions, accounts, and records are not comingled with those of System institution owners. All transactions between the UBE and System owners must be conducted at arms’ length, in the interest of the System institution owners, and in compliance with regulatory standards of conduct. (FCA regulation § 611.1153(c)) 	
			<ul style="list-style-type: none"> If notice is for a single member UBE, its purpose is limited to holding and managing unusual or complex collateral associated with loans. (FCA regulation § 611.1153(d)(1)). 	
			<ul style="list-style-type: none"> If notice is for a partnership, it does not involve a partnership between or among a parent ACA and its subsidiary PCA and FLCA, or between an ACB and its FCB subsidiary. (FCA regulation § 611.1153(e)). 	

Documentation Checklist—Documents Required when Providing Notice to FCA to Organize or Invest in a UBE (continued)						
Location	Topic	Item #	Description of Document	Check (✓) Below for Compliance		
Tab E (cont.)			<ul style="list-style-type: none"> The owner System institutions may not form a subsidiary of the UBE or enable the UBE itself to form a subsidiary or any other type of affiliated entity. <u>An exception is allowed for acquired property UBEs where the loan collateral at issue involves a multi-lender transaction that includes both System institutions and non-System persons or entities.</u> In such a case, the principal UBE can form subsidiaries to hold each investor’s pro rata interest in the acquired property held by the principal UBE. (FCA regulation § 611.1153(f)). 			
			<ul style="list-style-type: none"> The System institution’s potential liability in the UBE is limited to the amount of its equity investment. (FCA regulation § 611.1153(g)(1)). 			
			<ul style="list-style-type: none"> The notice does not involve the System institution serving as a general partner unless the requested business form is an LLLP. (FCA regulation § 611.1153(g)(2)). 			
			<ul style="list-style-type: none"> The equity investment represented by this notice will not exceed the System institution’s aggregate UBE investment limit of one percent of total loans outstanding as calculated at the time of the investment. <u>This limitation does not apply to acquired property UBEs.</u> (FCA regulation § 611.1153(h)). 			
			<ul style="list-style-type: none"> In accordance with FCA regulation § 611.1153(i), this notice: <table border="0" style="width: 100%;"> <tr> <td style="width: 50px;"></td> <td style="text-align: right;">Check (✓) Below to Acknowledge</td> </tr> </table> 		Check (✓) Below to Acknowledge	
				Check (✓) Below to Acknowledge		
			<ul style="list-style-type: none"> <ul style="list-style-type: none"> <u>Does not</u> represent a System institution’s investment in a third-party UBE (a non-System person or entity that controls the UBE) unless the third-party UBE is owned by a non-System person or entity for acquired property purposes; 			
			<ul style="list-style-type: none"> <ul style="list-style-type: none"> <u>Does not</u> involve the System institution, its directors, officers, employees or agents serving as the general partner or manager of a third-party UBE; 			
<ul style="list-style-type: none"> <ul style="list-style-type: none"> <u>Does not</u> involve the System institution or its directors, officers, employees or agents being named as the primary beneficiary of a third party UBE alone or with other System institutions; and <u>Does not</u> allow non-System persons or entities to invest in the UBE. <u>This restriction does not apply to UBEs that are organized to hold and manage acquired property.</u> If the restriction does not apply for this reason, mark “N/A” in the far right column. (FCA regulation § 611.1153(j)). 						

PLEASE EXPLAIN ANY N/A YOU'VE IDENTIFIED FOR ITEMS IN TABS A, B, C, D AND E IN THE SPACE BELOW.

TAB A	
TAB B	
TAB C	
TAB D	
TAB E	

**PLEASE PLACE THE TRANSMITTAL SHEET AND DOCUMENTATION CHECKLIST
IN FRONT OF YOUR NOTICE (PACKET A) IMMEDIATELY BEFORE TAB A.**