



Part II
Exhibits to
Small Business Investment Company
License Application

Form 2182

Name of Applicant	
Date of Submission	

**SMALL BUSINESS INVESTMENT COMPANY PROGRAM
INVESTMENT DIVISION
U. S. SMALL BUSINESS ADMINISTRATION
409 Third Street, S.W., Washington, DC 20416 Tel: (202) 205-6510**

This form should be completed only by SBIC license applicants that have previously filed a Management Assessment Questionnaire (SBA Form 2181) and accompanying Exhibits (SBA Form 2183) with SBA, and been invited by SBA to file a license application. The following burden estimates pertain only to the preparation of additional information not already provided by the applicant on SBA Form 2183. The estimated burden for completing this form is 1 hour per response for each individual respondent required to complete Exhibits C through H and 40 hours per response for the remaining exhibits to be completed on behalf of the proposed SBIC entity. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to the US Small Business Administration, Chief, Administrative Information Branch, Washington, DC 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, DC 20503. OMB Approval 3245-0062. **PLEASE DO NOT SEND FORMS TO OMB.**

PRIOR TO SIGNING OR SUBMITTING ANY OF THE EXHIBITS INCLUDED IN THIS FORM, PLEASE SEE "NOTICES REQUIRED BY LAW" ON PAGE 2 FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND THE USES OF SUCH INFORMATION.

NOTICES REQUIRED BY LAW

The following is a brief summary of the laws applicable to this solicitation of information.

PAPERWORK REDUCTION ACT (44 U.S.C. Chapter 35)

In Exhibits to the Small Business Investment Company Management Assessment Questionnaire and License Application (“Exhibits”) where there is an advisory of “Notices Required by Law”, SBA will use the information that has been provided in connection with an investigation of your experience and character. The scope of this investigation may include contact with banks, other financial institutions, individuals, business associates, law enforcement offices (including but not limited to SBA's Office of Inspector General and the Federal Bureau of Investigation), and any others that will assist SBA in making an adequate appraisal of your general business reputation and character.

PRIVACY ACT (5 U.S.C. 522a)

Any person can request to see or get copies of any personal information that SBA has when those records are retrievable by individual identifiers, such as name or social security number. See 13 C.F.R. Part 102, Subpart B. However, requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act (5 U.S.C. 552).

Generally, under the provisions of the Privacy Act, you are not required to provide your social security number and the failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. However, the Debt Collection Improvement Act of 1996 (31 U.S.C. 7701(c)(1)) permits a Federal agency to require each person doing business with that agency to furnish to that agency that person's taxpayer identification number (TIN). Therefore, it is mandatory that you furnish your TIN pursuant to the Debt Collection Improvement Act of 1996. Additionally, disclosure of your name and other personal information requested is mandatory. SBA is required under Section 301(c)(3) of the Small Business Investment Act, 15 U.S.C. 681(c)(3), to consider the general business reputation of certain key individuals in order to make a determination about whether each individual has the business experience and character necessary to participate in the SBIC program. Your social security number and other personal identifiers assist SBA in making these determinations required by law. If you do not provide this information, SBA will be unable to reach a favorable determination concerning your participation in the SBIC program.

The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is that when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, SBA may refer it to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use of personal information is to assist in obtaining credit bureau reports, including consumer credit reports and scores on the principals of the SBIC applicant, for the purpose of determining whether to approve a principal's participation in the SBIC program. See 74 FR 14890 (and as amended from time to time) for additional background and other routine uses.

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[Name of Fund]

Any person concerned with the collection of information, its mandatory or voluntary nature, disclosure or routine use under the Privacy Act, or requesting information under the Freedom of Information Act may contact the Chief, Freedom of Information/Privacy Acts Division, Small Business Administration, Washington, D.C. 20416.

FREEDOM OF INFORMATION ACT (5 U.S.C. 552)

This law provides, with some exceptions, that we must make records or portions of records contained in our files available to persons requesting them. This generally includes aggregate statistical information on the SBIC program and other information such as names of licensed SBICs and names of companies that have been financed by SBICs. We do not routinely make available to third parties your proprietary data or information that would cause competitive harm or would constitute a clearly unwarranted invasion of personal privacy.

To request information under this Act, you must send the request to the SBA office maintaining the records requested or the Chief, FOI/PA Office, 409 3rd Street, SW, Washington, DC 20416, or by e-mail to foia@sba.gov, and identify it as a Freedom of Information Act (FOIA) request. The request must describe the specific records you want.

**EXHIBIT A
CHECKLIST FOR EXHIBITS TO SBIC APPLICATION**

SBIC Name	Date
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INSTRUCTIONS: (1) Begin by inserting header information in the top margin. (2) When submitting the application, check appropriate boxes for those actions which have been done. (3) Note that Exhibits C-1, D, E, F, G and H should all be *grouped together by individual*.

EXHIBITS	Included	Completed in Final Form	Signatures Provided
A: Checklist for Exhibits to SBIC Application			
B: Parties Required to Submit Information			
C: Statement of Personal History (C-1, Individuals; C-2, Entities)			
D: Legal Proceedings Questionnaire			
E: Business Experience & Education of Principals			
F: Investment Experience of Principals			
G: Information Regarding Other Activities and Relationships			
H: Authorization to Release Information			
I: Declaration of Significant Investors			
J: Transferor’s Liability Contract			
K: Organizational Chart			
L: Supplemental Information			
M: SBIC Capital Certificate			
N: Forecast			
O: Offering Memoranda & Other Documents			
P: Due Diligence Checklists, Reports, Term Sheets, Deal Summaries, Models, etc. (Submit relevant documents electronically only).			
Q: Organizational Documents of Applicant			
R: Opinions of Counsel			
S: Management Services & Other Agreements			
T: Bank Letter			
U: Legal Document Certification			
V: Discussion of Issues for Public SBICs (if relevant)			
W: Approval of Organizational & Management Expenses & Interim Borrowing Arrangements			
X: Pre-Licensing Investments			

**EXHIBIT B
PARTIES REQUIRED TO SUBMIT INFORMATION**

SBIC Name		Date
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PRIOR TO SUBMITTING OR SIGNING ANY DOCUMENTS, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THESE EXHIBITS FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

INSTRUCTIONS

A. In Table B1 below, please list:

1. All officers and directors of a corporate SBIC, general partners of a limited partnership SBIC, or managers of an LLC SBIC. (Note that if the general partner, in the case of a limited partnership SBIC, or the manager in the case of an LLC SBIC is an entity, then all of the managers of the entity must be listed.)
2. All individuals or entities that exercise "Control" (as defined in 13 CFR §107.50) or who are "Control Persons" (as defined in §107.50).
3. All individuals or entities who own or control, directly or indirectly, securities of the SBIC equivalent to thirty-three percent (33%) or more of the outstanding securities of the SBIC.
4. All investment committee members and any individual whose role is highly influential (SBA liaison, officers and employees of the applicant's investment advisor/manager with day-to-day management responsibility and/or signing authority for the applicant).
5. The three ranking managers or officers of any entity described in (2) or (3) above.

B. (1) In the column labeled "Code", enter a category number from the choices directly above. (2) In the column "Role in the SBIC" insert a few words describing each party's role in the SBIC and, (3) place an "X" in the FPC box for each individual required to be fingerprinted. (See Guidelines for Fingerprint Cards below).

C. Each individual listed in Table B1 must submit an Exhibit C-1, *Statement of Personal History – Individuals*, and each entity listed in Table B1 must submit an Exhibit C-2, *Statement of Personal History – Entities*. Each individual required to be finger-printed must submit two (2) fingerprint cards, using Form FD-258. If a listed entity is newly formed, it is not necessary to submit Exhibit C-2; next to the entity name in Table B1, indicate "new" and give the date of formation.

[Date of Submission]

[Name of Fund]

Table B1			
Individual/Entity	Code	Role in the SBIC	FPC

GUIDELINES FOR FINGERPRINT CARDS

GENERAL RULE: Unless one of the exemptions below applies, each individual listed in Table B1 must submit two (2) fingerprint cards. Please be advised that SBA, in its sole discretion, may require a Statement of Personal History and fingerprint cards from any person associated with the SBIC applicant, even if that person is not listed in Table B1.

Note that fingerprint card form FD-258 must be used and must be preprinted with SBA's agency identification. These forms can be obtained directly from SBA through a program development analyst, operations analyst, or by sending an email request to sbic@sba.gov.

EXEMPTIONS: The entities listed below are exempt from the requirement that their three ranking managers submit fingerprint cards and statements of Personal History. However, if one of the three ranking managers has an arrest record, that individual must submit fingerprint cards and a Statement of Personal History regardless of these exemptions.

1. Companies registered under the Investment Company Act of 1940.
2. Advisors registered under the Investment Advisors Act of 1940.
3. Broker-Dealers registered under the Securities and Exchange Act of 1934.
4. Federal Home Loan Banks.
5. National banks regulated by the Office of the Comptroller of the Currency, FDIC members, or federal savings associations regulated by the Office of Thrift Supervision.
6. Any company subject to regulation under the Bank Holding Company Act or regulated as a Financial Holding Company under the Gramm-Leach-Bliley Act.
7. U.S. subsidiaries of foreign banks that take deposits in the U.S., provided the subsidiary has a net worth of at least \$10 million.
8. Foreign banks that do NOT accept deposits in the U.S. and which have a net worth of \$50 million or greater, and have publicly available audited financial statements.
9. Domestic insurance companies with a minimum of \$10 million of surplus.
10. Any corporation (domestic or foreign) whose stock (or ADRs) trades on the New York Stock Exchange.
11. Any company required to file periodic reports with the Securities and Exchange Commission under Section 15(d) or 12(g) of the Securities and Exchange Act of 1934 *and* whose net worth is \$20 million or greater, *and* whose stock trades on the American Stock Exchange or the NASDAQ National Market.
12. State and local government agencies.
13. State and local government retirement plans.
14. Employee benefit plans covered by ERISA with assets of at least \$50 million.
15. Entities tax-exempt under §501(c)(3) of the Internal Revenue Code with assets of \$10 million or greater, net of liabilities.
16. Foreign entities substantially equivalent to those exempted above, as determined by the SBA.

Example of a Fingerprint Exemption: Assume the following structure:

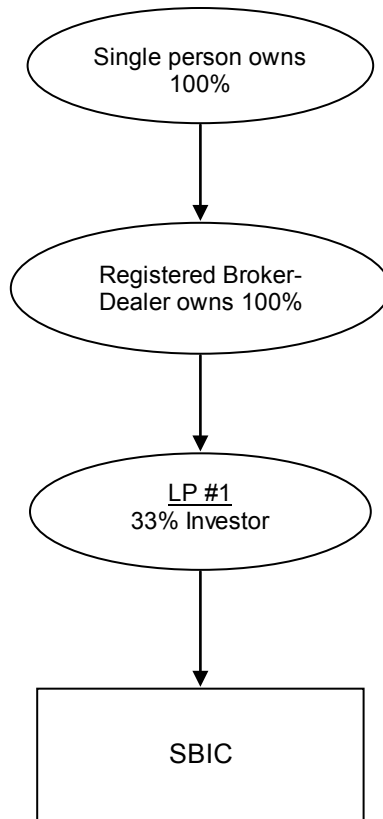


CHART B1

- The starting point in this analysis is the recognition that LP#1 is an entity investor which has a 33% ownership interest in SBIC. Therefore, under the Item No. A3 of the instructions on the first page of this exhibit, this entity is required to be listed in Table B1.
- As an entity investor, LP#1 is required to list its three ranking managers or officers in Table B1 (see Item No. A5), and under the fingerprint guidelines, each ranking manager of LP#1 is required to submit fingerprint cards, unless an exemption applies.
- Since, however, LP#1 is owned by a registered broker-dealer under the Securities and Exchange Act of 1934, the managers or officers of the registered broker-dealer are exempt from the fingerprint requirement, and because an exemption has been reached, the analysis for this investor can stop.

[Date of Submission]

[Name of Principal]

[Name of Fund]

**EXHIBIT C-1
STATEMENT OF PERSONAL HISTORY
(INDIVIDUALS)**

INSTRUCTIONS

By principal, submit and sequence this Exhibit C1 together with Exhibits D through H. For this group of exhibits, please fill in the header with the name of the principal to whom the exhibit applies. This will require you to *insert section breaks between each set of principal's exhibits.*

SBIC	C1. Applicant or Licensee Name				
	Address: Street, City, State, Zip Code				
	Tel:		Fax		Email

C2a. First Name in Full		Middle Name(s) in Full (If "none", so state)		Last Name	
C2b. List All Former Name(s) and Any Other Current Names Used (If "none", so state)			From (Date)	To (Date)	
C2c. List current and any former or other social security numbers (SSNs) used and names associated with these numbers. (If no other SSNs used, so state.)					

C3a. Date of Birth (Month, Day, Year)					
C3b. Place of Birth (City, State, Country)					
C3c. Citizen of U.S.?		Yes		No	
C3d. If a U.S. citizen		Native Born		Naturalized	
C3e. If naturalized, date, city, state and the naturalization or citizenship certificate number				N/A	
C3f. If you are not a citizen of the U.S., are you a permanent resident alien?		Yes		No	
C3g. If "yes" to C3f, provide the date you entered the U.S., the location (city and state) and your alien registration number				N/A	

C4. Starting with your present address, list all residence addresses for the last ten years.

From (Date)	To (Date)	Address

If the answer to C5a, b or c is "yes", attach complete details to this exhibit. Include dates, location, fines and penalties (paid and unpaid), sentences (misdemeanor or felony), dates of parole/probation, name(s) under which charged, and any other pertinent information.

C5a. Are you presently under indictment or on parole or probation?	Yes	No
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<i>[Date of Submission]</i>	<i>[Name of Principal]</i>	<i>[Name of Fund]</i>	
C5b. Have you ever been charged with or arrested for any criminal offense other than a minor motor vehicle violation (including offenses that have been dismissed, discharged, expunged, or not prosecuted)?	Yes	No	

C5c. Have you ever been convicted, placed on pretrial diversion, or placed on any form of probation (including adjudication withheld pending probation) for any criminal offense other than a minor motor vehicle violation?	Yes	No	
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If the answer to C6 is “yes”, attach complete details of proceeding(s) to this exhibit (including the indictment or complaint and the court, title of proceeding, date and docket number).

C6. Have you ever been found civilly liable or permanently or temporarily enjoined by a court or other regulatory body by reason of any act or practice involving fraud or breach of trust?	Yes	No	
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PRIOR TO SIGNING THIS DOCUMENT, PLEASE SEE THE “NOTICES REQUIRED BY LAW” ON PAGE 2 OF THIS FORM FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

CERTIFICATION

I certify that all of the information I have provided on this Exhibit C-1 and any other information I have submitted in connection with this Exhibit C-1 is true, correct and complete to the best of my knowledge. I understand that knowingly making a false statement is a violation of Federal law and could result in criminal prosecution under 18 USC §§ 287, 371, 1001, 1006, and 1014, including fines of up to \$1 million and up to 30 years imprisonment, 15 USC §§ 645 and 687(f), civil penalties under 31 U.S.C. § 3729, government-wide debarment or suspension, and denial, suspension, or revocation of a Small Business Investment Company license.

I have read the “Notices Required by Law” and I authorize the U.S. Small Business Administration Office of Inspector General to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for the Small Business Investment Company program.

Printed Name/ Title		
Signature		Date

**EXHIBIT C-2
STATEMENT OF PERSONAL HISTORY
(ENTITIES)**

SBIC	C1. Applicant or Licensee Name					
	Address: Street, City, State, Zip Code					
	Tel:		Fax		Email	

C2. Legal Name of Entity						
C3. List all former name(s) and addresses, EINs, and any other trade names used and addresses used. (If "none", so state)						
C4. Headquarters Address ¹						
C5. Name of Contact Person				Title		
C6. Telephone No.		Fax		Email		

C7. Date of Organization		EIN	
C8. State/Foreign Country of Organization			

List the three ranking officers/managers with their respective titles.

Name	Title

[Continued on Next Page]

¹ Provide the physical location
SBA Form 2182 (6-10) Previous editions obsolete

[Date of Submission]

[Name of Fund]

PRIOR TO SIGNING THIS DOCUMENT, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THIS FORM FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

CERTIFICATION

I certify that all of the information I have provided on this Exhibit C-2 and any other information I have submitted in connection with this Exhibit C-2 is true, correct and complete to the best of my knowledge. I understand that knowingly making a false statement is a violation of Federal law and could result in criminal prosecution under 18 USC §§ 287, 371, 1001, 1006, and 1014, including fines of up to \$1 million and up to 30 years imprisonment, 15 USC §§ 645 and 687(f), civil penalties under 31 U.S.C. § 3729, government-wide debarment or suspension, and denial, suspension, or revocation of a Small Business Investment Company license.

I have read the "Notices Required by Law", and I authorize the U.S. Small Business Administration Office of Inspector General to request criminal record information about this company from criminal justice agencies for the purpose of determining its eligibility for the Small Business Investment Company program.

Printed Name/ Title	
Signature	Date

**EXHIBIT D
LEGAL PROCEEDINGS QUESTIONNAIRE**

SBIC Name		Date	
Name of Principal			

INSTRUCTIONS

1. Submit this exhibit for each principal.
2. Answer all of the following questions. If the answer to any question is “yes”, furnish complete details on a separate sheet, attached to this exhibit. Include all pertinent information, including, name(s) under which charged, dates, locations, titles of proceedings, docket numbers, fines and penalties (paid and unpaid), sentences, type of offense (misdemeanor or felony), dates of parole/probation, and relevant documents.
3. For the purposes of this exhibit, a “substantial ownership interest” in an organization is considered to be an interest, direct or indirect, of 20% or more as reflected in equity interests, voting interests, or profit interests. The term “senior management” generally refers to *meaningful participation in budget or investment decisions*. If you have questions about whether or not you would have been considered part of senior management, discuss the issue with an SBA program development analyst, licensing analyst, or operations analyst.
4. This exhibit must be signed when submitted as part of either a MAQ or a license application. Any changes in the responses between the MAQ and the license application should be noted and explained.

D1. Has any organization either while you were a member of senior management or when you had a substantial ownership interest, ever been indicted for, charged with, or convicted of any criminal offense involving fraud, breach of fiduciary duty or breach of trust?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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D2. Has any organization, either while you were a member of senior management or when you had a substantial ownership interest, ever been found liable, convicted or permanently or temporarily enjoined by a court, by reason of any act or practice involving fraud, breach of fiduciary duty or breach of trust?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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D3a. Are you now the subject of any investigation or disciplinary hearing or proceeding by a governmental agency, regulatory body, or professional association?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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D3b. Have you ever been the subject of any investigation or disciplinary hearing or proceeding by a governmental agency, regulatory body, or professional association?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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D3c. Are you now or have you ever been the subject of any suspension, debarment, or any other regulatory enforcement, or any other regulatory enforcement action by a State or Federal agency based on fraud, lack of business integrity, or violation or noncompliance with regulations or other governmental requirements?

Yes

No

D4a. Has any organization, either while you were a member of senior management or when you had a substantial ownership interest, ever been the subject of any investigation or disciplinary hearing or proceeding by a governmental agency, regulatory body, or professional association?

Yes

No

D4b. Is any organization of which you are currently a member of senior management, or in which you have a substantial ownership interest, now the subject of any investigation or disciplinary proceeding by a governmental agency, regulatory body, or professional association?

Yes

No

D5. Have you ever entered into an agreement concerning, or otherwise consented to any order or decree by a court, governmental agency or regulatory body in connection with, any federal or state securities law?

Yes

No

D6. Has any organization, either while you were a member of senior management or when you had a substantial ownership interest, ever entered into an agreement concerning, or otherwise consented to any order or decree by a court, governmental agency or regulatory body in connection with any federal or state securities law?

Yes

No

D7. During the past 10 years, have you been a named defendant in any civil legal action involving commercial disputes or creditor's claims (including but not limited to debt collection lawsuit, foreclosure, receivership, and involuntary liquidation) of greater than \$500,000?

Yes

No

D8a. During the past 10 years, has any organization, either while you were a member of senior management or when you had a substantial ownership interest, been a named defendant in any civil legal action involving commercial disputes or creditor's claims (including but not limited to debt collection lawsuit, foreclosure, receivership, and involuntary liquidation) of greater than \$500,000?

Yes

No

D8b. If "yes", did the subject matter involve your personal conduct or fall within your area of responsibility?

Yes

No

N/A

D8c. If the answer to question D8a is "yes", were you active in settlement negotiations or arbitration?

Yes

No

N/A

[Date of Submission]

[Name of Principal]

[Name of Fund]

D9a. Have you, as a result of your role as a member of senior management or as a member of the board of directors of any entity been a named defendant in any civil legal action involving (i) shareholder litigation, (ii) fraud or misrepresentation, or (iii) breach of fiduciary duty?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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D9b. If "yes", did the subject matter involve your personal conduct or fall within your area of responsibility?

Yes	<input type="checkbox"/>
-----	--------------------------

No	<input type="checkbox"/>
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N/A	<input type="checkbox"/>
-----	--------------------------

D9c. If the answer to question D9a is "yes", were you active in settlement negotiations or arbitration?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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N/A	<input type="checkbox"/>
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D10. Have you, in your individual capacity, ever been a named defendant in any civil legal action involving (i) shareholder litigation, (ii) fraud or misrepresentation, or (iii) breach of fiduciary duty?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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D11. During the past 10 years, have you filed voluntarily, or had filed against you involuntarily, a bankruptcy petition?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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D12. During the past 10 years, has any organization, either while you were a member of senior management or when you had a substantial ownership interest, filed voluntarily, or had filed against such organization involuntarily, a bankruptcy petition?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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D13. Have you ever failed to pay when due any debt or obligation, including any amounts in dispute, to the Federal government or any state government, or guaranteed by the Federal government or any state government (including but not limited to taxes, business loans, student loans, etc.)?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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D14. Has any organization, either while you were a member of senior management or when you had a substantial ownership interest, ever failed to pay when due any debt or obligation, including any amounts in dispute, to the Federal government or any state government, or guaranteed by the Federal government or any state government (including but not limited to taxes, business loans, educational loans, etc.)?

Yes	<input type="checkbox"/>
-----	--------------------------

No	<input type="checkbox"/>
----	--------------------------

[Continued on Next Page]

[Date of Submission]

[Name of Principal]

[Name of Fund]

PRIOR TO SIGNING THIS DOCUMENT, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THESE EXHIBITS FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

CERTIFICATION

I certify that all of the information I have provided on this Exhibit D and any other information I have submitted in connection with this Exhibit D is true, correct and complete to the best of my knowledge. I understand that knowingly making a false statement is a violation of Federal law and could result in criminal prosecution under 18 USC §§ 287, 371, 1001, 1006, and 1014, including fines of up to \$1 million and up to 30 years imprisonment, 15 USC §§ 645 and 687(f), civil penalties under 31 U.S.C. § 3729, government-wide debarment or suspension, and denial, suspension, or revocation of a Small Business Investment Company license.

I have read the "Notices Required by Law" and I authorize the U.S. Small Business Administration Office of Inspector General to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for the Small Business Investment Company program.

Printed Name/ Title	
Signature	Date

EXHIBIT E
BUSINESS EXPERIENCE & EDUCATION OF PRINCIPALS

PRIOR TO SUBMITTING THIS DOCUMENT, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THIS FORM FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

INSTRUCTIONS

1. For each individual, include a resume (not just a narrative) of relevant experience and education, *with dates and addresses shown*. (The resume belongs in this exhibit and in no other place.) A length of two pages is preferable, but do not exceed three pages in type no smaller than 11 pt. Arial or 12 pt. Times Roman.

- ◆ Relate your business and professional experience during the past twenty years, as well as any prior experience that relates to your qualifications to manage an SBIC. Give the title of each position, and describe the basic functions and responsibilities.
- ◆ Regarding education, list your degrees, major areas of study, and names and addresses of the institutions attended.
- ◆ If desired, you may also include any other information that would be considered relevant to demonstrating qualifications for being a principal of an SBIC.

2. References:

If available, provide five references in each of categories (A) through (E). Be sure to identify in which category a reference is being placed, and *do not provide more than one name from any single firm*. Also, do not provide a reference from someone who is a principal, employee, or member of any committee of the applicant.

- (A) Supervisors or partners
- (B) Associates (peers)
- (C) Portfolio company presidents or chairpersons
- (D) Portfolio company co-investors
- (E) Fund investors (if relevant to prior experience)

For each reference, give the following information.

- Name, plus title and company, if relevant
- State the dates (years) of the active relationship
- Very briefly state the context of the relationship
- Provide the address, plus the phone numbers, and indicate (W) work, (H) home, or (C) cellular.

Please use a two column table format. Column one should contain the name and contact information, and column two should provide the time period(s) and describe the nature of the relationship.

[Date of Submission]

[Name of Principal]

[Name of Fund]

**EXHIBIT F
INVESTMENT EXPERIENCE OF PRINCIPALS**

INSTRUCTIONS

Exhibit F, including all instructions and a comprehensive example, is available in a separate Excel file. To obtain this file, please send an email request to MAQrequest@sba.gov.

PRIOR TO SUBMITTING THIS DOCUMENT, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THIS FORM FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

EXHIBIT G
INFORMATION REGARDING
OTHER ACTIVITIES AND RELATIONSHIPS

SBIC Name		Date	
Name of Principal			

INSTRUCTIONS. Complete this exhibit for each principal.

G1. List all business endeavors or investments in which you are actively involved². In a few words, describe each entity, and estimate the percentage of work time that it now occupies and the percentage it will take 12 months after an SBIC is licensed.

G2. List all for-profit and non-profit boards, committees and councils on which you sit, and estimate the percentage time that they now occupy and the percentage they will take 12 months after an SBIC is licensed.

G3. If you own, or will own, 10% or more of the *Private Capital* (§107.50) of the SBIC, were the funds used, or to be used, in purchasing said *Private Capital*, borrowed?

Yes

 No

If “yes”, give full details, including your net worth, amount borrowed or to be borrowed, source of funds borrowed or to be borrowed, terms of repayment, security and/or guarantors.

G4. In answering this question, if “yes” to any item, directly below the relevant check boxes, provide the name of the SBIC, your positions, and the dates of affiliation.

Are you, or have you been:

G4.1 an investor of 10% or more in another SBIC?

Yes

 No

G4.2 an officer, director, member, manager or principal of an SBIC, a general partner of an SBIC, or the investment advisor/manager of an SBIC?

Yes

 No

G4.3 an employee of an SBIC, the general partner of an SBIC, or the investment advisor/manager of an SBIC?

Yes

 No

G4.4 a member of any investment committee or advisory committee of an SBIC?

Yes

 No

G5. Are you a *Close Relative* (see 13 CFR §107.50) of any person *Affiliated* (§121.103) with the Applicant or of any SBIC.

Yes

 No

² This is not to be interpreted as listing each portfolio company unless you are currently an active officer or manager with duties beyond traditional venture oversight.

[Date of Submission]

[Name of Principal]

[Name of Fund]

If "yes", provide the name of the SBIC and the relationship.

G6. To the best of your knowledge and belief, during the past ten years, has any organization, either while you were a member of senior management or when you had a substantial direct or indirect ownership interest (20% or greater), borrowed funds from or sold securities to any Small Business Investment Company?

Yes

No

If "yes", describe below, giving all pertinent details, including the names of all parties to the transaction, dates, amounts involved, terms, use of proceeds, etc., and the outcomes of the financings.

G7. To the best of your knowledge and belief, during the past ten years, has any organization, either while you were a member of senior management or when you had a substantial direct or indirect ownership interest (20% or greater), received a loan from or guaranteed by the SBA.

Yes

No

If yes, give full details, as requested in G6 above.

G8. To the best of your knowledge and belief, during the past ten years, have you individually, or has any organization, either while you were a member of senior management or when you had a substantial direct or indirect ownership interest (20% or greater), had any contracts with SBA, other than loans?

Yes

No

If "yes", give full details.

G9a. Is any SBA employee or any member of any SBA advisory council related to you by blood, marriage, or adoption?

Yes

No

G9b. To the best of your knowledge and belief, does any SBA employee or member of any SBA advisory council have any present, or have they had any past, direct or indirect, financial interest in, or affiliation with, any concern of which you are a director, manager, member, officer, or in which you are an investor of 10% or more ?

Yes

No

If the answer to either (a) or (b) is "yes", give the name of the employee, the name of the member and of the council and list the names, addresses, and relationships.

PRIOR TO SIGNING THIS DOCUMENT, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THESE EXHIBITS FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

CERTIFICATION

I certify that all of the information I have provided on this Exhibit G and any other information I have submitted in connection with this Exhibit G is true, correct and complete to the best of my knowledge. I understand that knowingly making a false statement is a violation of Federal law and could result in criminal prosecution under 18 USC §§ 287, 371, 1001, 1006, and 1014, including fines of up to \$1 million and up to 30 years imprisonment, 15 USC §§ 645 and 687(f), civil penalties under 31 U.S.C. § 3729, government-wide debarment or suspension, and denial, suspension, or revocation of a Small Business Investment Company license.

[Date of Submission]

[Name of Principal]

[Name of Fund]

Printed Name/ Title			
Signature		Date	

[Date of Submission]

[Name of Principal]

[Name of Fund]

**EXHIBIT H
AUTHORIZATION TO RELEASE INFORMATION**

SBIC Name		Date	
Name of Principal			

INSTRUCTIONS

This form must be completed for each principal of the SBIC entity and/or fund sponsor(s). A signed original and two copies must be submitted for each person.

PRIOR TO SIGNING THIS DOCUMENT, PLEASE SEE THE "NOTICES REQUIRED BY LAW" ON PAGE 2 OF THIS FORM FOR EXPLANATIONS ABOUT DISCLOSURE OF INFORMATION AND USES OF SUCH INFORMATION.

DECLARATION

In connection with an application for an SBIC license, or operation of an SBIC, I hereby authorize the U.S. Small Business Administration ("SBA") and its agents to make inquiries, including obtaining a consumer report from a consumer reporting agency, to determine my personal credit standing.

A photographic copy of this authorization (being a photographic copy of the original signature of the undersigned) is equivalent to the original and may be considered a duplicate original.

Printed Name/ Title		
Signature		Date

EXHIBIT I
DECLARATION OF SIGNIFICANT INVESTORS

SBIC Name	Date
Name of Individual	

INSTRUCTIONS

1. Beginning with this section, the header changes (no longer including the name of an individual principal), so **the new header must be filled in**. To allow the header to change without affecting the previous sections, make sure there is a section break immediately preceding this exhibit.
2. This Declaration must be signed by each investor of 50% or more of the ownership interests of the applicant if that investor is **not required** to sign the *Declaration* found on page 2 of Form 2181, *SBIC Management Assessment Questionnaire and License Application*.

DECLARATION

1. The undersigned certifies that all information submitted by it or on its behalf in connection with SBA Form 2181 and Form 2182, is true and correct to the best of its knowledge. The undersigned also certifies that it is submitting this information for the purpose of obtaining an ownership interest in, or a license to operate as, a Small Business Investment Company. The undersigned understands that all statements made by it or on its behalf in connection with the SBA Form 2181 and Form 2182 are considered material by SBA in evaluating the Applicant’s application for a license to operate as a Small Business Investment Company.
2. The undersigned understands that knowingly making a false statement in connection with this application is a violation of Federal law and is subject to criminal prosecution under 18 USC §§ 287, 371, 1001, 1006, and 1014, including fines up to \$1 million and up to 30 years imprisonment, 15 USC §§ 645 and 687(f), civil penalties under 31 USC § 3729; government-wide debarment or suspension; and denial, suspension, or revocation of a Small Business Investment Company license.
3. The undersigned has not obtained, directly or indirectly, any of the funds it is investing in the SBIC from any SBIC or any business financed by an SBIC, and will not use any proceeds of a financing by any SBIC to repay any obligation that it has incurred, directly or indirectly, in connection with the purchase of its ownership in the SBIC.
4. The undersigned will not participate in or consent to any action by the SBIC that to the best of its knowledge and belief constitutes a violation of the Small Business Investment Act of 1958, as amended, or that constitutes a violation of SBA regulations.

Printed Name of Investor	
Signature	Date

[Date of Submission]

[Name of Fund]

Title	
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EXHIBIT J
TRANSFEROR’S LIABILITY CONTRACT

SBIC Name	Date
Name of Guarantor	

INSTRUCTIONS

This Transferor’s Liability Contract is to be executed by (i) each principal of the SBIC, in his/her individual capacity, (ii) each person, in his/her individual capacity, who will own or control, directly or indirectly, 50% or more of the *Private Capital* of the SBIC (as defined in 13 CFR §107.230), (iii) each entity that will own or control, directly or indirectly, 50% or more of the *Private Capital* of the SBIC, (iv) each person, in his/her individual capacity, who will own or control, directly or indirectly, 10% or more of the *Private Capital* of the SBIC and will participate in investment decisions of the SBIC (e.g., participation on the SBIC’s Investment Committee), and (v) each entity that will own or control, directly or indirectly, 10% or more of the *Private Capital* of the SBIC and will have a nominee who participates in investment decisions of the SBIC.

DEFINITIONS

As used in this Contract, the terms listed below have the following meanings:

“Act” means the Small Business Investment Act of 1958, as amended.

“Contract” means this Transferor’s Liability Contract.

“Guarantor” means the individual or entity signing this Contract and identified above.

“Impermissible Change of Control” means (i) the assignment, pledge, grant or other transfer of any portion or all of any of the Guarantor’s right, title or interest in SBIC, including, without limitation, rights to receive assets, income, distributions or other amounts from SBIC and rights to vote, consent or otherwise participate in decisions concerning SBIC, (ii) the ability to control SBIC, including, without limitation, rights to vote, consent or otherwise participate in decisions concerning SBIC or (iii) the admission or substitution of a new principal in SBIC or new investor in SBIC’s general partner or managing member, in each case, without the prior written consent of SBA when such consent is required by SBA.

“Leverage” means financial assistance provided to SBIC as defined in 13 CFR §107.50.

“Obligations” means all amounts which are or may become due and payable from SBIC in connection with any and all Leverage, and all expenses, including, without limitation, court costs and reasonable attorney’s fees, incurred by SBA in enforcing its rights under this Contract.

“Participates In” means any action that permits, approves, facilitates or otherwise brings about

an Impermissible Change of Control, including, without limitation, any vote, at a meeting or by proxy, or written consent in favor of an Impermissible Change of Control, unless the effectiveness of the participation is conditioned on the written consent of SBA.

“Permitted Transfer” means, with respect to any limited partner who is not a principal, a transfer to (i) a spouse, child, grandchild or heir of Guarantor, (ii) a trust for the benefit of one or more family members of Guarantor, (iii) an entity, all of whose owners or beneficiaries are family members of Guarantor, (iv) an IRA, Keogh account, trust or profit sharing plan of or for the benefit of Guarantor, (v) a wholly-owned subsidiary of Guarantor, or (vi) any transfer of all or a portion of the economic interest (the right to receive allocations and distributions) of Guarantor provided that Guarantor retains all capital contribution obligations and voting rights with respect to the transferred economic interest.

“Private Capital” means *Private Capital* as defined in 13 CFR §107.230

“SBA” means the U.S. Small Business Administration.

“SBIC” means the small business investment company (or applicant for a Small Business Investment Company license) named above.

CONTRACT

In order to induce the SBA to provide Leverage under Section 303 of the Act, Guarantor hereby irrevocably and unconditionally guarantees the immediate payment of all Obligations, if the Guarantor Participates In an Impermissible Change of Control; it being understood that SBA is not required to pursue or exhaust any other remedies before proceeding under this Contract. Guarantor waives any right to require SBA to proceed against SBIC or any of its assets, or to proceed against or exhaust any collateral security that may have been given to SBA in connection with SBIC’s obligations to SBA or to pursue any other remedy in SBA’s power whatsoever. Guarantor also waives any and all presentments, demands, protests or notices otherwise required to be given to Guarantor.

If Guarantor Participates In an Impermissible Change of Control, SBA may, at its option and without notice to Guarantor, proceed directly against Guarantor to collect and recover the full amount of the Obligations; however, if SBA provides Leverage to SBIC after full written disclosure by SBIC or Guarantor of the Change of Control to an official of SBA with authority to approve additional Leverage, then Guarantor shall not have any liability for the future Obligations associated with such Leverage. The commission of a Permitted Transfer without SBA’s consent will not subject the Guarantor to liability under this Contract.

Furthermore, if SBA provides Leverage to the SBIC after written notification to an authorized SBA official that the Guarantor no longer meets any of the criteria in (i) through (v) above of the Instructions to this Contract, Guarantor shall have no liability with respect to such subsequent Leverage.

This Contract shall terminate upon the earlier to occur of (i) repayment in full of all Leverage drawn by SBIC and all expenses incurred by SBA in enforcing its rights under this Contract or (ii) the written consent of SBA by an authorized official.

Guarantor acknowledges and agrees that, without notice and without affecting the liability of Guarantor hereunder, from time to time, whether before or after an Impermissible Change of Control has occurred, SBA may renew, extend, grant indulgences or otherwise change the time for payment or performance or otherwise change any other term or condition of SBIC's obligations to SBA or otherwise deal with SBIC as SBA may elect, all without in any way diminishing, releasing or discharging the liability of Guarantor hereunder. Upon payment of its liability under this Contract, Guarantor shall be subrogated to the rights of SBA to receive payments and distributions of assets from SBIC in connection with any and all Leverage provided by SBA to SBIC.

If any term or provision of this Contract is illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not in any way affect or impair the remaining terms and provisions of this Contract.

This Transferor's Liability Contract is binding upon Guarantor, its successors and assigns/heirs, executors, administrators and personal representatives, and may not be waived, amended, modified or, except upon repayment in full of all Leverage as provided above, terminated or discharged except in a writing signed by Guarantor and an authorized official of SBA; provided, that, Guarantor agrees and consents to any assignment of this Contract by SBA, in which event it shall inure to the benefit of any such assignee with the same force and effect as though said assignee was specifically named herein, and Guarantor hereby waives any notice of any such assignment. This Contract shall be governed by and construed in accordance with applicable Federal laws and the laws of the State of organization of SBIC.

PRIOR TO SIGNING THIS CONTRACT, BE CERTAIN THAT YOU FULLY UNDERSTAND THE LIABILITY THAT YOU ARE ASSUMING IN THE EVENT THAT YOU PARTICIPATE IN AN "IMPERMISSIBLE" TRANSFER OF OWNERSHIP.

IN WITNESS WHEREOF the undersigned party (or parties) has (have) affixed his/her (their) signature(s) hereto.

Guarantor		Percentage of Private Capital	
Printed Name		Title	
Signature		Date	

Guarantor		Percentage of Private Capital	
Printed Name		Title	

[Date of Submission]

[Name of Fund]

Signature		Date	
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Guarantor		Percentage of Private Capital	
Printed Name		Title	
Signature		Date	

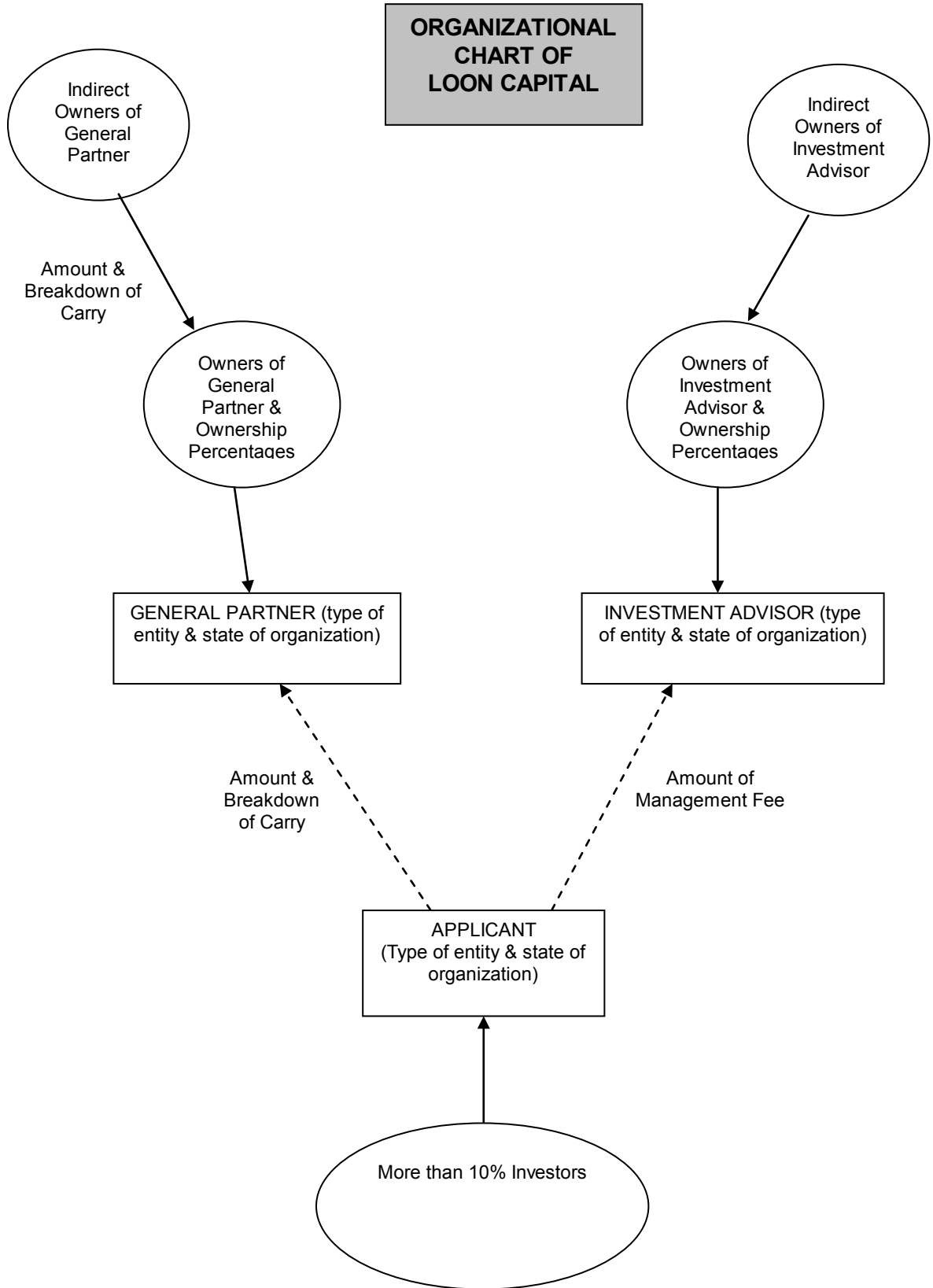
Guarantor		Percentage of Private Capital	
Printed Name		Title	
Signature		Date	

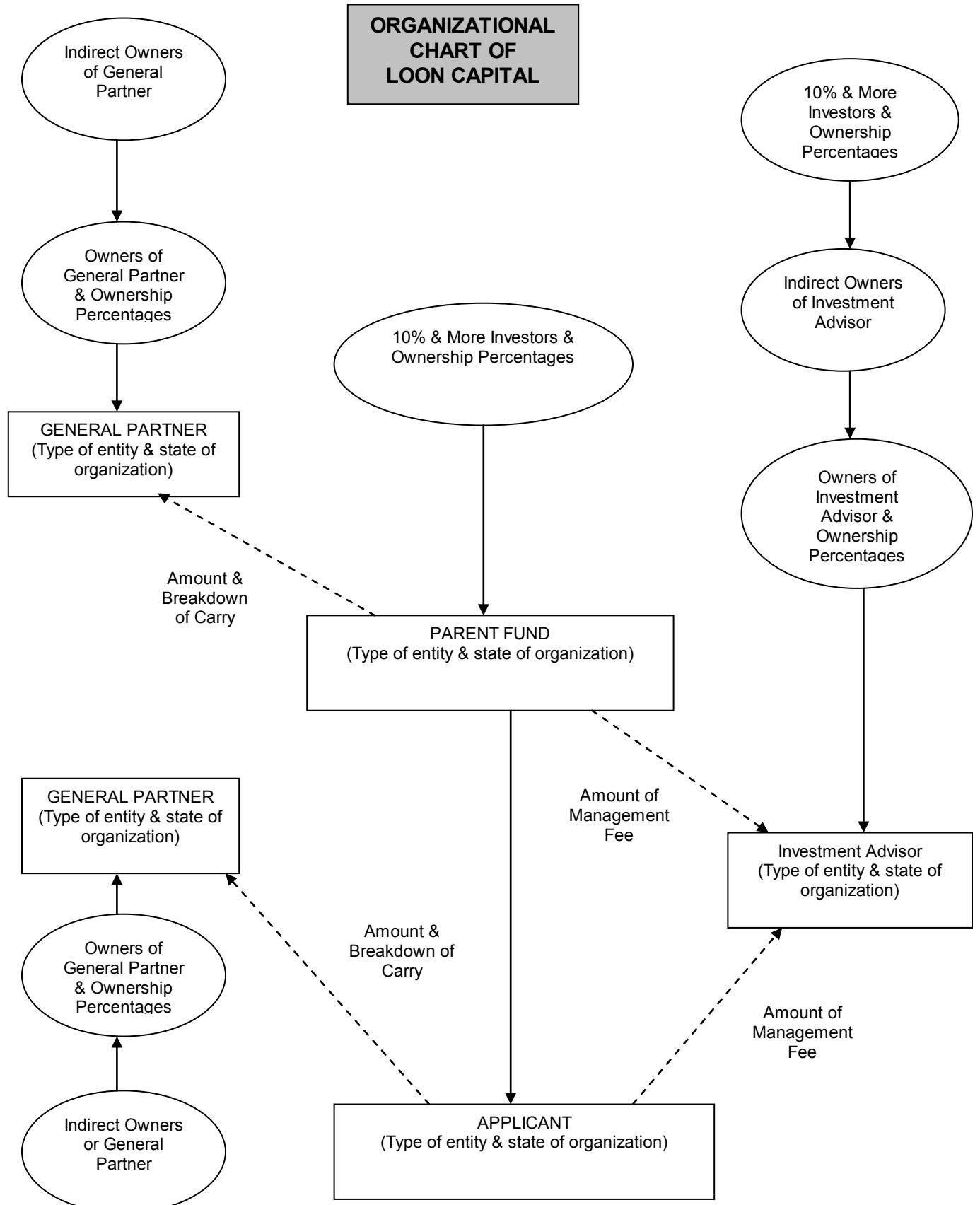
Guarantor		Percentage of Private Capital	
Printed Name		Title	
Signature		Date	

EXHIBIT K ORGANIZATIONAL CHART

INSTRUCTIONS

1. On the next page, provide an organizational chart of all entities related to the SBIC. Please refer to Question 403 of the *SBIC Management Assessment Questionnaire and License Application, Form 2181* for related information to provide.
 2. Two charts are provided as starting points: one for a stand-alone SBIC, and the other for a “drop-down” SBIC (an SBIC funded by one or more parent investment companies).
 3. You can use either one of the templates provided or your own chart, as long as you show the nature of the relationships and include the types of information indicated. If you use the enclosed charts, please remove the descriptive words and enter the appropriate data.
 4. It is not necessary to draw the charts in Word, but if you wish to do so, here are some hints.
 - Click on the menu item *Tools, Options*, and on the tab labeled *Toolbars*, click on *Drawing*. This will give you a drawing toolbar at the bottom of your screen.
 - On the toolbar, click on either the oval shape or the square shape to draw a box. (It is not necessary to utilize the conventions for shapes shown on the chart.) After you have drawn a box, move the cursor over the box, right click for a menu, and click *Add Text*.
 - Use Arial typestyle, 9 pt. and center the text.
 - Click on the arrow shape to add arrows.
 - To move an object, the object can either be selected or not, but move the cursor until it turns into a cross with four arrows; hold down the left mouse key and move the object.
 5. When completed, delete these instructions.
-





**EXHIBIT L
SUPPLEMENTAL INFORMATION**

SBIC Name		Date
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INSTRUCTIONS

If you use this page to provide additional information, please be sure to identify the questions being referenced. If you are not using this page, please write "N/A" and include the page in your submission.

**INSTRUCTIONS FOR EXHIBIT M
SBIC CAPITAL CERTIFICATE**

GENERAL INSTRUCTIONS

Please delete this page of instructions prior to filing.

- a. As used in the Capital Certificate, “*Applicant*” means the applicant for a license as an SBIC or an existing SBIC licensee, as applicable.
- b. For limited partnerships, the Capital Certificate must be signed by the general partner. If the general partner is an entity general partner, a manager or managing member of the general partner must sign the Capital Certificate. If the general partner is itself a limited partnership, then the Capital Certificate must be signed by its general partner or the manager or managing member of that general partner.
- c. For limited liability companies, the Capital Certificate must be signed by an authorized managing member, manager or officer.
- d. For corporations, the Capital Certificate must be signed by the authorized senior executive officer, the Chairman, President, CEO, CFO, COO, Vice President, or Treasurer.
- e. Applicants that are “*drop-down funds*”, i.e., funded by one or more parent venture funds, should refer to the Addendum A to Exhibit M for further instructions on completing this Capital Certificate.
- f. Do not let any table break across a page unless its length exceeds a page in length.
- g. Delete the instructions on this page prior submitting the Capital Certificate.

INSTRUCTIONS DURING LICENSE APPLICATION PROCESS

You must submit a signed Capital Certificate with your license application showing that the minimum Regulatory Capital requirement has been met. Before the application is presented to the Agency licensing committee, you must submit an updated Capital Certificate that meets the minimum Leverageable Capital requirements and shows that you have sufficient Regulatory Capital to carry out your business plan.

INSTRUCTIONS AFTER APPLICANT HAS BEEN LICENSED

A current signed Capital Certificate must be on file with SBA at the time you apply for an SBA Leverage commitment and at the time that you apply to draw down Leverage.

**EXHIBIT M
SBIC CAPITAL CERTIFICATE**

SBIC Name	
Date of this Certificate	
Applicant’s Leverageable Capital ³	
Applicant’s Regulatory Capital ⁴	
Applicant’s Regulatory Capital Adjusted to Determine Management Fee ⁵	
Applicant’s Regulatory Capital Adjusted to Determine Overline Limit ⁶	

REPRESENTATIONS AND WARRANTIES

AS A MATERIAL INDUCEMENT FOR THE U.S. SMALL BUSINESS ADMINISTRATION (“SBA”) TO ISSUE THE APPLICANT A LICENSE AS A SMALL BUSINESS INVESTMENT COMPANY AND/OR TO PROVIDE SBA FINANCIAL ASSISTANCE, THE APPLICANT HEREBY REPRESENTS AND WARRANTS TO AND COVENANTS AND AGREES WITH SBA AS FOLLOWS:

1. **Investors**⁷. The attached Tables M1A, M1B, M1C and M1D state:
 - a. the name and address of each investor of Applicant (including the Applicant’s general partner(s) for limited partnerships, but excluding the SBA, its agents, trustees or representatives);
 - b. the amount of each investor’s total capital commitment to Applicant (“*Capital Commitment*”);
 - c. the amount of each investor’s Capital Commitment which has been paid to Applicant in cash⁸ (“*Paid-In Capital*”) on or before the date hereof; and
 - d. the unpaid balance of each investor’s Capital Commitment (“*Unfunded Commitment*”).
2. **Institutional Investor Status**. Tables M1A, M1B, M1C and M1D further specify:
 - a. whether each investor is an Entity Institutional Investor, an Individual Institutional Investor or an Other Investor⁹;
 - b. for each investor designated as an Entity or Individual Institutional Investor, the subsection of the definition of Institutional Investor in 13 CFR §107.50 under which such investor qualifies as an Institutional Investor; and
 - c. for each investor designated as an Entity Institutional Investor, the type of entity.

³ 13 CFR §107.50 contains the definition of “Leverageable Capital”.

⁴ 13 CFR §107.50 contains the definition of “Regulatory Capital”.

⁵ SBIC Tech Notes Number 7 (December 2000) and 7A (December 2003) provide for management fees during an SBIC’s initial investment period based on Regulatory Capital that is “unreduced” by certain permitted distributions. Refer to the applicable Tech Note for details.

⁶ 13 CFR §107.740 contains the methodology for making this calculation.

⁷ Refer to *Addendum to Exhibit M* for information and instructions on the use of dual commitments.

⁸ Non-cash contributions will not be accepted without the prior written approval of the SBA.

⁹ 13 CFR §107.50 contains a definition of “Institutional Investor”.

3. Representations and Warranties of Institutional Investors. Each investor listed as an Institutional Investor whose unfunded commitment is included in Regulatory Capital has represented and warranted to, and agreed with, the Applicant that, with respect to such investor:

- c. it meets the criteria for qualifying as an Institutional Investor under that subsection of the definition of Institutional Investor (see 13 CFR §107.50) designated in Tables M1A, M1B and M1D; *See Addendum A to Exhibit M for information on the use of dual commitments.*
- d. if such investor has a net worth of less than \$10 million, (i) its Unfunded Commitment does not exceed ten percent (10%) of its net worth or (ii) if its Unfunded Commitment exceeds 10%, SBA has approved an unconditional, irrevocable letter of credit for the term of the commitment to be issued by a state or national bank in favor of Applicant, in an amount not less than such investor's Unfunded Commitment, a signed copy of which letter of credit has been supplied to SBA, and the required information concerning such letter of credit is listed in Table M3;¹⁰
- e. until all of its Capital Commitment has been paid, such investor will notify Applicant promptly of any change that causes the information in Tables M1A through M1I or in this Section 3 concerning such investor to be incorrect;
- f. its Capital Commitment constitutes Private Capital (as defined in 13 CFR §107.230), and except as specified in Table M1H, no part of such Capital Commitment constitutes Qualified Nonprivate Funds (as defined in 13 CFR §107.230(d)); and
- g. if the investor is an individual, such investor is a permanent resident of the United States or has, in writing, irrevocably appointed the person or entity specified on Table M2 as such investor's agent for service of process, or
- h. if the investor is an entity, such investor is qualified to do business and maintains a place of business in one or more states of the United States, the District of Columbia or U.S. possessions or has in writing, irrevocably appointed the person or entity specified on Table M2 as such investor's agent for service of process.

4. Individual Institutional Investors. For each investor listed in Table M1B or M1D as an Institutional Investor pursuant to subsection 2(i)(A) of the definition of Institutional Investor, SBA has approved an unconditional irrevocable letter of credit to be issued by a state or national bank in favor of Applicant, in an amount not less than such investor's Unfunded Commitment, a signed copy of which letter of credit has been delivered to SBA and the required information concerning such letter of credit listed on Table M3).

5. Diversity Investors. Each investor whose name is followed by "Y" in the column headed "*Diversity Investor*" in Tables M1A, M1B, M1C and M1D qualifies as a diversity investor for

¹⁰ For individuals, "net worth" does not include the value of any equity in his/her most valuable residence. For entities described in subsection 1(v) or 1(vi) of the definition of Institutional Investor in 13 CFR §107.50, "net worth" means net assets available for benefits. If an investor with a net worth of more than \$10 million makes a significant investment in the Applicant, SBA may require additional financial information concerning such investor in order to include such investor's unfunded commitment as part of the Applicant's Regulatory Capital.

purposes of the Management and Ownership Diversity requirement (13 CFR §107.150(b))¹¹. Table M1F lists the amount and percentage of Applicant's Regulatory Capital and Leverageable Capital, respectively, that consists of the capital committed and/or contributed by such diversity investors.

6. Qualified Nonprivate Funds. Table M1H shows Applicant's "Qualified Nonprivate Funds" (as defined in 13 CFR §107.230(d)) and the ratio of such Qualified Nonprivate Funds to Applicant's Regulatory Capital.

7. Associate Investors. Table M1I shows all of Applicant's investors that are *Associates* of Applicant (as defined in 13 CFR §107.50), and Table M1J shows persons who are investors and who may be affiliates of one another.

8. Guarantees. For each investor listed in Table M1A or Table M1B as an Institutional Investor through the approved use of a guarantee agreement, SBA has approved the guarantee agreement (a signed copy must be submitted to SBA if the amount of the Unfunded Commitment is to be included as part of Regulatory Capital). Note that guarantees are only permitted in certain specifically defined situations. *See Addendum A to Exhibit M for information on the use of guarantee agreements.*

9. Investor's Payment Covenant. Each investor must pay its Unfunded Commitment to Applicant at the times and in the amounts specified in documents approved by SBA ("Investor's Payment Covenant"), subject only to those conditions permitting a withdrawal: (i) if Applicant is a limited partnership, in Applicant's Partnership Agreement (including, if applicable any SBA Annex), (ii) if Applicant is a corporation, in its articles of incorporation, or (iii) if Applicant is a limited liability company, in its operating agreement, provided each such document has been approved by SBA ("Organizational Document"). Each investor has represented to Applicant that such Investor's Payment Covenant has been duly authorized and is the legal, valid and binding obligation of such investor (except as enforcement may be limited by bankruptcy, insolvency, reorganization or moratorium laws or other laws affecting the rights of creditors generally).

10. Changes in Investor's Payment Covenant. Without the prior written approval of SBA, Applicant shall not release, amend, extend, compromise, cancel, forgive or otherwise waive any Investor's Payment Covenant or Applicant's right to receive payment when due of any investor's Unfunded Commitment, other than as provided in Applicant's Organizational Documents.

11. Pre-Licensing Investments. Applicant has made "approved pre-licensing investments" in the Portfolio Concerns on the dates and in the amounts (stated at their cost) set forth in Table M5. As used in Table M5, the column headed "Additional Obligation" means Applicant's unfunded binding commitment to provide additional financing to the Portfolio Concern, which amount was included in the approval received from SBA, but does not qualify as Leverageable Capital and which amount should be listed in Table M5. *(After Applicant receives its license, Table M5 does not need to be completed for subsequent Capital Certificates.)*

12. Changes in Regulatory Capital. Applicant certifies that Table M1G reflects all changes in its Regulatory Capital since the date on which Applicant filed with SBA its application for an SBIC license.

¹¹ If you are unsure or otherwise do not wish to certify that an investor is a "diversity investor", place an "N/A" in the column headed "Diversity Investor". See 13 CFR §107.150(b).

13. **Management Fees.** Applicant certifies that Table M1L indicates the date, if any, it began drawing a management fee based upon an assumed use of Leverage greater than Combined Capital for purposes of establishing the five year period that management fees may be computed based on assumed Leverage (If the management fee is not computed on the basis of assumed Leverage use, insert N/A in Table M1L.) (See SBIC Tech Note No. 7A, revised April 2008.)

14. **Changes in Capital Certificate.** Applicant shall notify SBA promptly if Applicant learns that any information contained in this Certificate (including the Tables attached to this Certificate) is incorrect or incomplete or if any investor fails to pay, when due, any required payment of such investor’s Unfunded Commitment or if any investor notifies Applicant that it will not pay its Unfunded Commitment or otherwise desires to withdraw from Applicant. Applicant shall also notify SBA promptly if any letter of credit or guarantee agreement provided by an investor to Applicant expires, ceases to be in full force and effect, or is modified, renewed or replaced; and if such letter of credit is renewed or replaced, Applicant shall give SBA a copy of such renewal or replacement letter of credit.

15. **Criminal Prosecution.** Applicant acknowledges that any intentionally false statement or willful misrepresentation contained in this certificate is a violation of Federal law and is subject to criminal prosecution under 18 USC §§287, 371, 1001, 1006, and 1014; 15 USC §645; civil penalties under 31 USC §3729; government-wide debarment or suspension; and denial, suspension, or revocation of a Small Business Investment Company license.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Capital Certificate as of the date set forth above.

Name of Applicant:	
By (Typed Name):	
Title (e.g., President, Manager, General Partner) ¹² :	
Signature:	

¹² Indicate the position of the signatory (e.g., specific officer or manager title), the entity for which the signatory is signing and its relationship to Applicant.

Table M1A – Entity Institutional Investors ¹³			"X" if this is a Drop-Down Fund →		
Name & Address ¹⁴	Type of Entity & Qualifying Subsection	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N)
Totals					

Table M1B – Individual Institutional Investors			"X" if this is a Drop-Down Fund →		
Name & Address ¹⁵	Qualifying Subsection	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y /)
Totals					

¹³ Trusts and IRAs are entities, not individuals, and trusts must be tax-exempt to qualify under subsection 1(vii). Any investor seeking to qualify as an Institutional Investor under subsection 1(xi) must obtain SBA's prior approval.

¹⁴ Entity investors must list their business addresses. P.O. boxes are not acceptable addresses.

¹⁵ Individual investors must list their primary residence. P.O. boxes are not acceptable addresses.

Table M1C – Other Investors ¹⁶			“X” if this is a Drop-Down Fund →			
Name & Address ¹⁷	Type (e.g., individual, LLC)	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N)	Enter “X” if Parent Fund
Totals						

Table M1D – Dual Commitments ¹⁸		“X” if this is a Drop-Down Fund →			
Name & Address	Type of Entity for Primary Investor & Type of Entity and Qualifying Subsection for Backup Investor	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N)
Primary Investor #1 – list in brackets			[\$ in brackets]	[\$ in brackets]	
Back-up Investor(s)					
Primary Investor #2 – list in brackets			[\$ in brackets]	[\$ in brackets]	
Back-up Investor(s)					
Primary Investor #2 – list in brackets			[\$ in brackets]	[\$ in brackets]	
Back-up Investor(s)					
TOTALS [Add only amounts that are <u>not</u> in brackets]					

¹⁶ Any Investor that does not meet the criteria for an Institutional Investor (see 13 CFR §107.50) is considered an Other Investor for purposes of this Capital Certificate.

¹⁷ Individuals must list their primary residence and entity investors must list their business address. P.O. boxes are not acceptable addresses.

¹⁸ An investor that plans on utilizing a dual commitment must refer to *Addendum to Exhibit M* for information and instructions on the use of dual commitments.

Table M1E –Investor Commitments to Parent Fund (for Drop-Down SBICs only)			
Names of Investors	Paid-In to Parent	Unfunded Commitment to Parent	Total Commitment
Entity Institutional Investors (From Table M1A)			
Individual Institutional Investors (from Table M1B)			
Dual Commitments (primary investors from Table M1D)			
Other Investors (from Table M1C)			
Investor Totals			

Table M1F – Investor Diversity Summary			
Type of Capital ¹⁹	Total Amount	Diversity Amount	Diversity %
Regulatory Capital			
Leverageable Capital			

Table M1G – Changes in Regulatory Capital						
Date	Beginning Regulatory Capital	Amount of Increase	Decrease Pursuant to 13 CFR §107.585	Decrease Pursuant to 13 CFR §107.1570(b)	Other Decreases ²⁰	Ending Regulatory Capital

¹⁹ The Management Ownership Diversity requirement applies to both Regulatory Capital and Leverageable Capital.

²⁰ Any decreases in Regulatory Capital require SBA approval.

Table M1G – Changes in Regulatory Capital						
Date	Beginning Regulatory Capital	Amount of Increase	Decrease Pursuant to 13 CFR §107.585	Decrease Pursuant to 13 CFR §107.1570(b)	Other Decreases ²⁰	Ending Regulatory Capital

Table M1H – Qualified Nonprivate Funds			
Name of Investor <i>(from Table M1A, M1B or M1C)</i>	Capital Commitment	Qualified Nonprivate Funds Whose Source is Federal Funds	Qualified Nonprivate Funds Whose Source is State or Local Gov't. Funds
Totals			
Non-Federal Qualified Nonprivate Funds ÷ Regulatory Capital			%

Table M1I – Associates of Applicant		
Name of Investor	Describe Relationship to Applicant	Applicable Subsection of Definition of Associate

Table M1J – Investor Affiliates		
Name of Investor #1	Name of Investor #2	Describe Relationship Between Investors

[Date of Submission]

[Name of Fund]

Table M1J – Investor Affiliates		
Name of Investor#1	Name of Investor #2	Describe Relationship Between Investors

USE OF TABLE M1K

(a) Identify each *entity* and *individual* who, directly or indirectly, (1) owns 10% or more of the equity interests of the Applicant, (2) is the beneficial owner of 10% or more of the equity interests of the Applicant, or (3) controls 10% or more of the equity interests of the Applicant, hereinafter referred to as a “10% Investors”.

(b) For purposes of identifying a 10% Investor, the equity interests of all affiliates must be aggregated

(c) For any 10% Investor that is an entity, identify all of the owners of that 10% Investor except that all individual owners of less than 10% can be aggregated and identified as shown in the example below. Continue identifying all of the owners of any entity owner until individual owners have been identified. (Note that you multiply the percentage in the current column by the percentage in the preceding column to determine if the result is 10% or more.)

(d) See the example below and delete the example, whether or not the table is utilized.

Table M1K – 10% Investors		
Level 1 – SBIC 10% Investors	Level 2 – Owners of SBIC 10% Investors	Level 3 – Indirect Equity Holder - % of Level 2 / % of SBIC
Bermuda Triangle Holdings 40%	High & Wide Investments 50%	Fred Jones 50%
		Steve Brown 50%
	John Smith 30%	
	Remainder = 20%, 10 Individuals each with less than 5%	
William Davis Trust, Robert Johnson, Trustee 15%	William Davis II, beneficiary 100%	
Remainder = 45%, 10 individuals and 5 entities, each with 8% or less.		

Table M1L –Management Fees	
Date on which Applicant began drawing Management Fee based upon assumed use of Leverage (if not applicable, insert N/A)	

Table M2 – Investors Who Are Not Permanent Residents of the United States ²¹	
Name & Address of Non-Resident Investor	Name & Address of U.S. Agent for Service of Process

Table M3 – Approved Letters of Credit				
Name of Investor	Unfunded Commitment	Amount of Letter of Credit	Issuing Institution	Expiration Date
Totals				

Table M4 – Conditions to Exercise of Right to Receive Unfunded Commitments
[if no conditions, insert "None"]

Table M5 – Approved Pre-Licensing Investments				
Name of Portfolio Concern	Date(s) of Investment(s)	Cash Invested	Additional Obligations	Cash Investment + Additional Obligations
Totals				

²¹ For individuals, permanent residents of the United States means a lawful permanent resident of the United States under the immigration laws. For entities, permanent resident of the United States means an entity qualified to do business and maintaining a place of business in one or more states of the United States, the District of Columbia or U.S. Territories.

[Date of Submission]

[Name of Fund]

**ADDENDUM A TO EXHIBIT M
GUARANTEES AND DUAL COMMITMENTS**

NOTES ON THE USE OF GUARANTEES AND DUAL COMMITMENTS

In certain limited situations, SBA will allow an Applicant to use a guarantee and/or a dual commitment arrangement so the Applicant can include in its Regulatory Capital the Commitments of non-Institutional Investors. The circumstances under which SBA will permit the use of a guarantee and the requirements for using a guarantee are described in Section I below. The circumstances under which SBA will permit the use of the dual commitment arrangement and the requirements for a dual commitment are described in Section II below.

I. Guarantees for IRAs, Keoghs, Family Trusts and Family Investment Partnerships

An IRA, Keogh, family trust or family investment partnership that does not qualify as an Entity Institutional Investor may use a guarantee to have its Commitment included as part of Regulatory Capital. Adverse tax consequences may result for the IRA or Keogh, however, so SBICs and investors are cautioned to consult with legal counsel before using a guarantee in this situation.

How Does it Work. The IRA, Keogh, family trust or family investment partnership obtains a guarantee from an Institutional Investor for the full amount of its Unfunded Commitment. For example, for IRAs and Keoghs, if the individual who created the retirement account qualifies as an Institutional Investor, that individual can guarantee the full amount of the Unfunded Commitment of the IRA or Keogh to the Applicant. If the amount of the Unfunded Commitment is to be included in Regulatory Capital, the guarantee must be in the form approved by SBA (request a copy by sending an email to sbic@sba.gov) and the guarantee must be executed and a copy submitted to SBA before the licensing approval process can be finalized. SBA regulations limit the size of an unfunded commitment that can be guaranteed by an Institutional Investor with net worth of less than \$10 million (see 13 CFR §107.230(b)(4) and paragraph (2)(i)(B) of the Institutional Investor definition).

How is this Reflected on the Capital Certificate. The IRA, Keogh, family trust or family investment partnership is listed on the Capital Certificate as an Entity Institutional Investor under subsection 1(xi), followed by a footnote describing the guarantee arrangement and the name of the guarantor and the clause of the *Institutional Investor* definition of 13 CFR §107.50 under which the guarantor qualifies as an Institutional Investor.

II. Dual Commitments

How Does it Work. The “dual commitment” arrangement works by having one or more Institutional Investors (“back-up investor”) make a Capital Commitment to the Applicant identical to that made by the non-Institutional Investor (“primary investor”). When a capital call is made, the back-up investor is excused from funding its Unfunded Commitment to the extent the primary investor funds its own Unfunded Commitment on a timely basis. *Both the primary investor and the back-up investor are limited partners or members, as applicable, and must sign the Applicant’s limited partnership agreement or operating agreement as limited partners*

or members, as applicable. In addition, both the primary investor and the back-up investor must be listed as investors in Table M1D of the Capital Certificate and in the schedule of partners attached to the limited partnership agreement. The same limitations applicable to guarantees by Institutional Investors with net worth of less than \$10 million also apply to dual commitments.

When more than one Institutional Investor is serving as a back-up investor, each such Institutional Investor may make a Capital Commitment that is equal to only a proportionate amount of the primary investor's Capital Commitment, so long as the total of all Capital Commitments of such Institutional Investors equals 100% of the primary investor's Capital Commitment. Each Institutional Investor serving as a back-up investor must be listed on the Capital Certificate and the schedule of partners/members attached to the limited partnership agreement or member agreement in the case of limited liability companies with a designation as to the proportionate share for which each such Institutional Investor is obligated.

The suggested footnote language below can be used on the signature pages and the schedule of partners/members to clarify the dual commitment arrangement.

If [Primary Investor] makes a cash Capital Contribution to the Partnership, then simultaneously with such cash Capital Contribution, the Capital Commitment of [Back-up Investor] shall be reduced in an amount equal to that cash Capital Contribution and the Capital Contribution required to be made by [Back-up Investor] at the time shall be reduced by the same amount.

How is this Reflected on the Capital Certificate. The primary investor and each back-up investor are listed on the Capital Certificate on Table M1D. Each back-up investor must indicate the amount of the primary investor's Capital Commitment for which it is obligated and the appropriate subsection of the definition of Institutional Investor under which it is qualified.

Applicants and their counsel should note that neither the guarantee nor the dual commitment approach automatically qualifies Unfunded Commitments from investors that do not qualify as Institutional Investors as part of Regulatory Capital, and in every instance, a guarantee and/or dual commitment arrangement is subject to SBA's approval.

CAPITAL CERTIFICATE PRESENTATION FOR DROP-DOWN FUNDS

Applicants that are "drop-down funds" (i.e., funded by one or more parent investment funds) should use the standard Capital Certificate, following these presentation guidelines:

1. SBA requires each parent fund to be a primary investor in the Applicant ("Class A investor") and each parent fund's investors to become stand-by investors ("Class B investors") in the Applicant, except as noted below in item 3.
2. The names and addresses of all the Applicant's Class B investors, along with their respective capital commitments, paid-in capital and unfunded commitments (all three amounts at the *Applicant* level, not at the parent level), must be listed in Table M1A, M1B, M1C, M1D, as appropriate. The amount in the "Paid-in Capital" column will

increase as either the Class A investor contributes capital to the Applicant or the Class B investor contributes capital directly to the Applicant, thereby reducing the amount in the “Unfunded Commitment” column.

3. A Class A investor is typically not considered an Institutional Investor and should be listed as an “Other Investor” in Table M1C. The amounts in the “Capital Commitment”, “Paid-in Capital”, and “Unfunded Commitment” columns should all be shown in brackets and should not be included in the totals for Table M1C. In rare cases, SBA has determined that Class B commitments are not required if a parent fund qualifies as an Institutional Investor in its own right and has ample liquid assets available to fund its commitment to the Applicant, so that there is no doubt regarding the collectability of the commitment. In this case, the parent fund should be listed as an Entity Institutional Investor in Table M1A, its commitment should not be bracketed, and no Class B investors will be listed on the Capital Certificate. The same presentation applies if the parent fund is a publicly traded Business Development Company; for a BDC, see also the guidance on capitalization in SBIC Tech Note #13, particularly the criteria that SBA will apply in determining the extent to which a parent BDC’s Unfunded Commitment to the Applicant can be included in Regulatory Capital).
4. The capital commitments made by the Applicant’s Class B investors at the parent fund level should be shown on the Capital Certificate in Table M1E.

**ADDENDUM B TO EXHIBIT M
DEFINITIONS FOR REFERENCE ONLY**

PLEASE NOTE THAT THIS ADDENDUM IS FOR CONVENIENCE ONLY. IT DOES NOT CONSTITUTE A PART OF THE CAPITAL CERTIFICATE CONTRACT. IN THE EVENT THAT THERE ARE DISCREPANCIES BETWEEN DEFINITIONS OF TERMS IN THE CAPITAL CERTIFICATE AND THIS PAGE, THE DEFINITIONS WITHIN THE CAPITAL CERTIFICATE PREVAIL.

APPLICANT means the applicant for a license as an SBIC or an existing SBIC licensee, as applicable.

CAPITAL COMMITMENT is the amount of each investor's total capital commitment to Applicant.

COMBINED CAPITAL means the sum of Regulatory Capital and outstanding Leverage.

DIVERSITY INVESTOR is a person or entity who meets the requirements of Management and Ownership Diversity as found in 13 CFR §107.150(b).

INSTITUTIONAL INVESTOR means the definition as found in 13 CFR §107.50.

INVESTOR'S PAYMENT COVENANT means the obligation of each investor to pay its Unfunded Commitment to Applicant at the times and in the amounts specified in Applicant's Organizational Documents.

LEVERAGEABLE CAPITAL means the definition as found in 13 CFR §107.50.

ORGANIZATIONAL DOCUMENT means: (i) if Applicant is a limited partnership, its Partnership Agreement (including, if applicable any SBA Annex), (ii) if Applicant is a corporation, its articles of incorporation, or (iii) if Applicant is a limited liability company, its operating agreement, as approved by SBA.

OVERLINE LIMIT is a calculation derived according to the methodology found in 13 CFR §107.740.

PAID IN CAPITAL means the amount of each investor's Capital Commitment which has been paid to Applicant in cash on or before the date hereof including the Unfunded Commitment. (Non-cash contributions will not be accepted without the prior written approval of the SBA.)

QUALIFIED NON-PRIVATE FUNDS has the meaning as defined in 13 CFR §107.230(d).

REGULATORY CAPITAL means the definition as found in 13 CFR §107.50.

UNFUNDED COMMITMENT means the unpaid balance of each investor's Capital Commitment.

**ADDENDUM C TO EXHIBIT M
SAMPLE ACCEPTABLE COMMITMENT LETTERS**

INSTRUCTIONS. It is not necessary to use the forms in this Addendum C. They have been acceptable to the SBA and are presented for your convenience.

ENTITY (including trusts) form of commitment letter

[Name and Address of Fund]

[Date]

Dear Mr. _____:

This confirms the intention of _____ (“Investor”) to invest \$ _____ as a limited partner in _____ (the “Partnership”) subject to [insert one or more of the following as appropriate]:

- a. Investor’s review of the limited partnership agreement;
- b. receipt of similar commitments which, together with Investor’s investment will total at least \$ _____ [; and]

[Note: Include the following provision only under special circumstances:

- c. receipt of evidence that the Partnership’s application for licensing as a Small Business Investment Company (“SBIC”) has been approved by the divisional Licensing Committee of the U.S. Small Business Administration (“SBA”) and it is reasonable to anticipate that the Partnership will promptly be licensed as an SBIC.]**

The Investor represents that it is an “Accredited Investor” as defined in Regulation D under the Securities Act of 1933; and

The Investor has a net worth (exclusive of any unfunded commitments from investors) in excess of [check the appropriate box]:

- ◆ over \$10 million
- ◆ over \$2 million and at least ten times the amount of this commitment
- ◆ less than \$2 million

We understand that you may submit a copy of this letter to SBA in connection with the application of the Partnership for licensing as an SBIC.

Very truly yours,

High net worth individuals form of commitment letter

[Name and Address of Fund]

[Date]

Dear Mr. _____:

This confirms [my][our] intention of investing \$_____ as a limited partner in _____ (the "Partnership") subject to [insert one or more of the following as appropriate]:

- a. [my][our] review of the limited partnership agreement;
- b. receipt of similar commitments which, together with [my][our] investment will total at least \$_____ [; and]

[Note: Include the following provision only under special circumstances:

c. receipt of evidence that the Partnership's application for licensing as a Small Business Investment Company ("SBIC") has been approved by the divisional Licensing Committee of the U.S. Small Business Administration ("SBA") and it is reasonable to anticipate that the Partnership will promptly be licensed as an SBIC.]

[We][I] represent that [we are][I am an] "Accredited Investor[s]" as defined in Regulation D under the Securities Act of 1933; and

[We][I] represented that [we][I] have a net worth (exclusive of the value of [my][our] most valuable residence in excess of [check the appropriate box]:

- ◆ over \$10 million
- ◆ over \$2 million and at least ten times the amount of this commitment
- ◆ less than \$2 million

[We][I] understand that you may submit a copy of this letter to SBA in connection with the application of the Partnership for licensing as an SBIC.

Very truly yours,

**EXHIBIT N
FORECAST**

SBIC Name	Date
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INSTRUCTIONS

Utilize your own model to prepare a 10-year financial forecast. It is suggested that you do the forecast annually for all years. If you prefer, you can prepare a monthly or quarterly forecast for the first year only, with subsequent years shown annually. Do not provide any more detail than this.

As an alternative, you can provide a narrative detailing the key assumptions that would normally serve as the basis for preparing a model forecast. Rather than using actual calendar years, use years 1, 2, 3, etc. Be sure to discuss the following items:

- Number of investments the fund expects to make
 - Period of time over which investments will be made, and number of investments and dollars to be invested by year
 - Expected Investment size
 - Expected Holding period of investments prior to harvest
 - Year in which harvesting is supposed to begin
 - Projected IRR for the total fund, both before and after the management fee and the carry
 - Management fee amount and payment schedule
 - Amounts and timing of SBA leverage draws and associated leverage fees
 - Interest rate or prioritized payment rate on SBA leverage, including the annual charge
 - SBA profit participation rate selected (for participating securities issuers)
 - Assumptions concerning distribution/reinvestment of proceeds
 - Assumptions concerning management of cash balances
-

**EXHIBIT O
OFFERING MEMORANDA & OTHER DOCUMENTS**

SBIC Name

Date

INSTRUCTIONS

Attach your offering memoranda and other documents, as appropriate. (See 13 CFR §107.660[a] and [b].)

**EXHIBIT P
DUE DILIGENCE CHECKLISTS, REPORTS, TERM SHEETS, DEAL SUMMARIES,
MODELS, ETC.**

SBIC Name

Date

INSTRUCTIONS

Submit relevant documents electronically. Hard copies are not required.

**EXHIBIT Q
ORGANIZATIONAL DOCUMENTS OF APPLICANT**

SBIC Name

Date

INSTRUCTIONS

For the Applicant and its general partner, if applicable, please provide the following:

1. Organizational Documents:

- A. For limited partnerships, include the certificate of limited partnership and a copy of the limited partnership agreement.
- B. For limited liability companies, include the certificate of formation and a copy of the operating agreement
- C. For corporations, include a copy of the articles of incorporation and by-laws.

Please note that if a general partner of a limited partnership SBIC is an entity (i.e., corporation, LLC, or partnership), in accordance with 13 CFR §107.160(b), the organizational documents for the general partner must include language which states that the entity is organized under state law solely for the purpose of serving as the general partner of one or more SBICs.

2. Minutes, resolutions and/or written consents. Include certified copies of minutes, resolutions or written consents at which current directors, managers, officers were elected or appointed, as applicable.

3. Model Partnership Agreement. A blackline must be submitted showing the changes made to the SBIC model partnership agreement.

4. Execution. The partnership agreement need not be signed when the application is submitted, as the SBA may require changes in your organizational documents in order to continue processing your application. The partnership agreement must be signed, however, prior to SBA's approval of the Applicant's license application.

**EXHIBIT R
OPINIONS OF COUNSEL**

SBIC Name	Date
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INSTRUCTIONS

1. **Opinions.** All applicants must submit an opinion of independent counsel for the applicant, addressed to the SBA, stating the following:

- (a) The applicant has been duly organized and is validly existing in good standing under the laws of the State of [state of organization].
- (b) The applicant is chartered or registered by the appropriate authorities to conduct, in its proposed operating territory or area, only the activities described under Title III of the Small Business Investment Act of 1958, as amended.
- (c) The applicant is duly qualified to do business in each jurisdiction contemplated under its business plan which requires such qualification, except to the extent that the failure to so qualify would not have a material adverse effect on the applicant. (Note: SBA considers the lack of authority to file suit in any jurisdiction to be a material adverse effect.)

2. **Securities Opinions.** All applicants must also submit evidence issued by the Securities and Exchange Commission (“SEC”) that the securities of the applicant sold or proposed to be sold, as set forth in the license application, are not required to be registered under the Securities Act of 1933 and that the applicant is not required to register as an investment company under the Investment Company Act of 1940, or, if registration is required in either case, evidence satisfactory to SBA that the applicant has complied with such requirements. If counsel for an applicant believes that the applicant is not subject to the registration provisions of the Securities Act of 1933 or the Investment Company Act of 1940, SEC clearance is not required, and in such event, the applicant must provide an opinion to the effect that it is not so subject to such registration provisions.

3. **Tax Opinions.** If the applicant is a partnership, an opinion must be provided that the partnership will be classified as a partnership for federal income tax purposes, stating that the partnership is not a publicly-traded partnership, as defined in Section 7704 of the Internal Revenue Code.

- (a)

4. Form of opinion.

- (a) The opinions required must be rendered by independent legal counsel for the applicant and may be rendered in one or more separate legal opinions. (Note: An applicant must notify its licensing analyst in the event that the legal firm rendering

such opinions and/or any member of such legal firm has invested or intends to invest in the applicant.)

- (b) Opinions with respect to state law must be rendered by counsel licensed to practice law in such state, unless the SBA specifically approves otherwise.
- (c) Each opinion must be specifically addressed to the SBA and may also be addressed to other parties.
- (d) The opinion or opinions may be provided to the SBA for approval in final draft form in advance of the receipt of a license by the SBA; *provided* that counsel undertakes to deliver an executed copy of any such opinion in the same form as the draft submitted effective upon the formation or license of the applicant.

5. Assumptions, Exceptions and Qualifications.

- (a) Any assumptions on which an opinion is based must be specifically identified.
 - (b) Any exceptions and/or qualifications taken with respect to an opinion must be specifically enumerated, and where an exception relates to specific provisions of an agreement counsel should identify the provisions of the agreement to which the exception relates.
 - (c) Counsel must identify in which states they are members of the bar and the states to which their opinion relates, if different.
-

**EXHIBIT S
MANAGEMENT SERVICES & OTHER AGREEMENTS**

SBIC Name	Date
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INSTRUCTIONS

If the SBIC plans to employ an investment advisor/manager as permitted by 13 CFR 107.510, please attach a copy of the management services agreement. Also, attach any side letters or other special agreements that the SBIC has negotiated with its general partner, investment advisor/manager, limited partners, or any other entities or individuals.

If the SBIC will not employ a separate investment advisor/manager, please provide a statement to that effect on this page.

**EXHIBIT T
BANK LETTER**

SBIC Name

Date

INSTRUCTIONS

1. This information does not need to be submitted at the time of filing your application. However, it must be submitted before the application is presented to the Agency SBIC licensing committee. Your analyst will advise you when the bank letter is required.
2. Attach a letter or letters addressed to SBA from the institutions(s) or custodian(s) as evidence that unencumbered cash or permitted investments of idle funds as defined in 13 CFR §107.530(b) are on deposit in the account(s) of the Applicant. The funds evidenced by these letters should match the amounts in Table T1. The letters must be signed by a senior officer of the institution, and must be addressed to SBA and *must contain the following language* evidencing the deposit of funds to the Applicant's account:

"This certifies that there is on deposit in the name of [Applicant] the sum of _____ . This institution has no right, written or otherwise, to restrict the use of or the withdrawal of funds from this account, or to apply the funds in this account against any indebtedness owed to it; and it has no knowledge of any agreements with other parties restricting the right of withdrawal from, or concerning the use of, the funds in this account."

Table T1		
Description (cash on deposit, U.S. Treasury bill, etc.)	Amount	Custodian or Where Located
Total		

Description	Amount
Cash and cash equivalents (per bank letter(s))	
Pre-Licensing Investments Made (per Exhibit M, Table M5)	
Cash Paid for Organizational and Management Expenses Approved by SBA (from Exhibit W)	
Other reconciling items (identify and explain)	
Total Paid-In Capital (per Exhibit M)	

Table T3 – Secured Third Party Debt
If the applicant has secured third party debt, provide the name, address, phone number and email address of the contact person at the entity that has provided the loan, and give the details of the amount, the terms of the debt and the nature of the collateral.

EXHIBIT U
LEGAL DOCUMENT CERTIFICATION

SBIC Name	Date
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INSTRUCTIONS

The following Certification concerning the Applicant's legal documents must be completed and signed by either a principal of the Applicant or Applicant's legal counsel and submitted with the Applicant's final, fully-executed legal documents prior to SBA's approval of the Applicant's license application.

REPRESENTATION

I hereby represent and warrant to the United States Small Business Administration ("SBA") that the following documents listed below, all of which have been fully-executed by all parties to such documents and attached to this letter, are unchanged from the versions of such documents approved by the SBA in processing [NAME OF SBIC APPLICANT]'s application for a Small Business Investment Company license.

List of documents

Printed Name	Title/Role
Signature	Date

**EXHIBIT V
DISCUSSION OF ISSUES FOR PUBLIC SBICs²²**

SBIC Name	Date
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If not applicable, insert "X" →

(If the box above is checked, skip the remainder of this Exhibit.)

INSTRUCTIONS

See 13 CFR 107.115 and discuss all of the following issues. The discussion must be as complete as possible, *both from a business and from a legal standpoint.*

V1. Describe your plans for an initial public offering. If the SBIC or parent fund is already public, give a brief history of its formation and operation as a public company.

V2. Explain your anticipated resolution of the differences between the valuation requirements of the SEC (or state regulators) for publicly traded investment companies and the valuation policy for the SBIC program, as given on the SBA Investment Division web site.

V3. Explain fully any anticipated transfers of funds between the SBIC and other entities.

V4. As relevant, explain co-investment strategies between entities.

V5. Distribution policies.

V5.1 Are you planning to elect to be taxed as a regulated investment company pursuant to section 851 of the Internal Revenue Code.

V5.2 Discuss fully your proposed distribution policies.

V5.3 If you plan to utilize debenture leverage, discuss fully the integration of various SEC and tax laws, as well as state securities laws, regarding distributions from investment companies with SBA regulations governing distributions and returns of capital. (See 13 CFR 107.585.)

²² The term "Public SBIC" also includes subsidiaries of public investment companies.

**EXHIBIT W
APPROVAL OF ORGANIZATIONAL & MANAGEMENT EXPENSES
& INTERIM BORROWING ARRANGEMENTS**

SBIC Name		Date	
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INSTRUCTIONS

Use the forms in this exhibit to request the approval of: (1) expenditures for organizational expenses and syndication costs, (2) expenditures for management expenses during the licensing process, and (3) interim financing arrangements. It is not necessary to submit this form with your license application. You should submit it as needed to request SBA's approval of amounts you have spent or to request SBA's approval of your interim financing arrangements. After you are licensed, SBA may request a final submission of this exhibit prior to considering your initial request for a leverage commitment.

REQUEST FOR APPROVAL OF ORGANIZATIONAL EXPENSES AND SYNDICATION COSTS

Table W1 – Organizational Expenses and Syndication Costs*			
	From Date	Through Date	Amount
Amount Accrued Through			
Cash Paid Through			
Sub-Total			
Total			

*NOTE: Attach a supporting schedule detailing the expenses summarized in this table.

Applicant asks that the SBA approve the requested amount of organizational expenses and syndication costs to be included in Regulatory and Leverageable Capital upon being licensed.

Applicant			
Printed Name			
Signature		Date	
SBA Name		Amount Approved	
Signature		Date	

REQUEST FOR APPROVAL OF MANAGEMENT EXPENSES

Table W2 – Management Expenses*			
	From Date	Through Date	Amount
Amount Accrued Through			
Cash Paid Through			
Sub-Total			
Total			

*NOTE: Attach a supporting schedule detailing the expenses summarized in this table.

Applicant asks that the SBA approve the requested amount of management expenses to be included within Regulatory and Leverageable Capital upon being licensed.

Applicant			
Printed Name			
Signature		Date	

SBA Name		Amount Approved	
Signature		Date	

REQUEST FOR APPROVAL OF INTERIM FINANCING ARRANGEMENTS

Put an "X" in the appropriate box(es).

Interim Financing Arrangements in Place	<input type="checkbox"/>	Interim Financing Arrangements Anticipated	<input type="checkbox"/>
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Table W3 – Interim Financing Arrangements*					
	Nature of Arrangement	Provider	Commence-ment Date	Expiration Date	Amount
Financing Arrangement					

*NOTE: Attach all supporting documentation, e.g., commitment letters, loan documents, financing statements, and promissory notes.

Applicant asks that the SBA approve the interim financing arrangements.

Applicant						
Printed Name						
Signature				Date		

SBA Name			Interim Financing Amount Approved			
Signature				Date		

EXHIBIT X PRE-LICENSING INVESTMENTS

GENERAL INSTRUCTIONS

1. This exhibit is not submitted with the application. Once an applicant has received a letter from SBA stating that an application has been formally accepted for processing, the applicant may make eligible investments. You are limited to one pre-licensing investment until at least one principal has attended the SBIC regulations training class. Pre-licensing investments must be submitted for approval to the SBA on the *Pre-Licensing Investment Worksheet* which begins on the next page, with a certification that to the best of its knowledge and belief, the subject investment is an eligible investment, meeting the criteria set forth in 13 CFR Parts 107 and 121. **The investment must be approved by SBA before it is closed.** (The submission should be made at least **10 business days** prior to the proposed closing.)

 2. The reason for this submission is that if you are not totally familiar with the SBA criteria for making investments, you run a risk that *an investment may be found to be ineligible and thus, would not qualify as Regulatory Capital.* Working with you, we wish to help ensure that this does not occur. Therefore, filling out the worksheet and having us review it is for your protection and benefit. If you are applying for a second or later license, we also wish to ensure that an ineligible investment is not made which would subsequently be excluded from Regulatory Capital.

 3. As part of this submission, you must also submit SBA Forms 1031, 480, and 652. For this purpose, you will submit a pro forma Form 1031 in hard copy, rather than electronically. After you are licensed, you must then submit a final Form 1031 using SBA's electronic reporting software.

 4. As you work your way through the questions, in order to ensure accuracy in your responses, we would suggest that you have Parts 107 and 121 of 13 CFR in front of you and that you look up each section referred to until you become familiar with the definitions and regulations within the CFR.
-

PRE-LICENSING INVESTMENT WORKSHEET

SBIC Name

Date

Small Business Name

Date Financing is Expected to Close

SPECIFIC INSTRUCTIONS

1. Copy this page and the balance of this Exhibit into a new file.
2. Note that the header of this exhibit is different than for all the other exhibits, as there is a place to enter the name of the proposed investment. You will need to copy the header into the new file as a separate operation.
3. Please complete all questions. For any item for which you feel there might be multiple interpretations or where you feel that your interpretation might conflict with SBA's interpretation, please elaborate and/or call your analyst for guidance.

1. OVERLINE LIMITS

- 1.1. State Applicant's most likely Regulatory Capital?

\$

- 1.2. State the amount of Regulatory Capital raised to date.

\$

- 1.3. What is the total dollar investment the Applicant is proposing to invest in the Small Business? Include Commitments as defined in 13 CFR §107.50.

\$

- 1.4. Has, or will the Applicant guarantee the obligations of the Small Business, or made any other commitments? If yes, explain fully. (Include a description of Applicant's relationship with the creditor, the amount of the guarantee, and the cost of the guarantee.) [§107.740, §107.820]

Yes

No

- 1.5. What percentage of *most likely Regulatory Capital* is the sum of the proposed financing, including financing Commitments and guarantees. [§107.740]

%

1.6. What percentage of *Regulatory Capital raised to date* is the sum of the proposed financing, including financing commitments and guarantees. [§107.740]

%

2. SIZE STANDARDS

2.1. Is the Small Business affiliated with any other concerns, as defined in §121.103? If yes, list the names of the affiliated concerns, and include information for these affiliates when answering questions 2.2 through 2.4. If you are not sure whether a concern is an affiliate of the Small Business, describe the relationship between the two entities.

Yes	
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No	
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2.2. What is the average net income of the Small Business, including its affiliates, over its past two fiscal years? (Net income measured after Federal income tax, but excluding any carryover losses. Note that if the company is an S Corp. or LLC, income tax expense can be attributed to the business when answering this question.)²³ Show calculation. [§121.301(c)(1), §121.201]

\$

2.3. What is the tangible net worth (total assets minus goodwill, minus total liabilities) of the Small Business, including its affiliates, as of the date of this worksheet? Show calculation. [§121.301(c)(1), §121.201]

\$

2.4. If the answer to 2.2 is \$6.0M or less AND the answer to 2.3 is \$18.0M or less, check the box N/A. Otherwise, if the business does not meet the size tests in 2.1 and 2.2, is the business qualified under the appropriate industry size standard found in §121.201?

N/A	
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Yes	
-----	--

No	
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3. ELIGIBILITY FOR FINANCE

²³ Small Business Investment Act, Section 103(5)(B) “in determining whether a business concern satisfies net income standards established pursuant to section (3)(a)(2) of the Small Business Act, if the business concern is not required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined in an amount equal to the sum of –

(i) if the business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this subparagraph), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation: and

(ii) the net income (so determined) less any deduction for State (and local) income taxes calculated under clause (i), multiplied by the marginal Federal income tax rate that would have applied if the business concern were a corporation.

3.1. What is the NAICS (North American Industry Classification System) code for the Small Business? [§107.720(c)(1)]

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3.2. Does the primary activity of the Small Business consist of relending or reinvesting? If yes, please explain. [107.720(a), §107.720(a)(2)]

Yes		No	
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3.3. Is the Small Business passive, as defined in §107.720(b)(1)? If yes, explain how the business qualifies for financing?

Yes		No	
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3.4. How will the Small Business use the new funds? Show percentages per use. [§107.720(c)(2), §107.720(d)-(i)]

3.5. Will any of the funds be used to finance a foreign operation? If yes, provide details. [§107.720(g)]

Yes		No	
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3.6. Does the Small Business have more than 49% of its employees or tangible assets located outside the United States? If yes, provide details explaining how the SBIC's funds will be used for a specific domestic purpose. [§107.720(g)]

Yes		No	
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4. TERM OF FINANCING

4.1. What is the term of the financing? If less than 1 year, explain. [§107.830, §107.835, §107.840]

Insert an "X" if this is solely equity with no securities having a term →	
Term of financing	

4.2. Will any interim financing be provided to the Small Business by the Applicant? If yes, explain. [§107.835]

Yes		No	
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4.3. If present in the proposed terms, what are the amortization provisions? [§107.845]

4.4. Are there any restrictions or costs associated with prepayment by the Small Business? If yes, explain the restrictions and related costs. [§107.830(d)(2), §107.830(d)(3)]

Yes		No	
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5. COST OF MONEY

5.1. If a Loan or Debt Security is utilized in the financing, what is the nominal cost of money for the Small Business? [§107.855]

Insert an "X" if not applicable →	
Nominal Cost of Money per annum	%

6. FINANCING FEES

6.1. Will the Small Business be charged an application fee and/or closing fee? If yes, quantify each charge as a percentage of the total financing. [§107.860]

Yes		No	
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7. CONTROL

7.1. How many shareholders does the Small Business have? [§107.865]

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7.2. What percentage of outstanding voting securities will be owned or controlled by the Applicant and Associates of Applicant upon closing of [a] all firm commitments, and [b] all conditional commitments. (*Do not present on a fully-diluted basis.*) [§107.865]

a	%	b	%
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7.3. What percentage of ownership is held by other SBICs and/or other SBIC Applicants?

%

7.4. After the financing is closed (including [a] all firm commitments, and [b] all conditional commitments), what percentage of Directors, General Partners, or Managers of the Small Business may be elected by management of the Small Business?

a	%	b	%
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7.5. After the financing is closed (including [a] all firm commitments, and [b] all conditional commitments), what percentage of Directors, General Partners, or Managers of the Small Business may be elected by the Applicant (together with Associates)? [§107.865]

a	%	b	%
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7.6. Would the Applicant (together with its Associates) be able to exercise control, directly or indirectly, through management agreement, voting trust, majority representation on board of directors, or in any other way? If yes, explain fully. [§107.865]

Yes		No	
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8. SECURITIES

8.1. Will you purchase securities directly from the Small Business. If no, explain. [§107.825]

Yes	
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No	
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8.2. If an Equity financing is being done, are there debt-type acceleration provisions? If yes, explain. [§107.800(b)]

Yes	
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No	
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8.3. Will options be obtained by employees, officers, directors, or general partners of the Small Business Investment Company or its management company? If yes, explain. [§107.815(b)]

Yes	
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No	
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8.4. If present in the proposed terms, what is the least amount of time allowed for making a redemption? [§107.850(a)]

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8.5. If present in the proposed terms, what are the terms of the redemption provisions? [§107.850]

8.6. If the Applicant has a preference in liquidation, what is the preference amount and under what conditions is it payable? Indicate specifically the circumstances that constitute an event of liquidation.

8.7. If this is a proposed equity financing, could the financing result in the Applicant becoming a general partner in the Small Business or otherwise becoming jointly or severally liable for the general obligations of the Small Business? If yes, explain how. [§107.800(a), §107.800(b)]

Yes	
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No	
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9. **CONFLICTS OF INTEREST** Be extremely careful when answering questions in this section. Be sure to read the CFR references very carefully, and if you do not feel totally clear about your response, discuss the issue with your licensing analyst.

9.1. Is the Small Business an Associate of the Applicant? If yes, explain fully. [§107.730(a)(1)]

Yes	
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No	
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9.2. Could any aspect of the transaction be construed as self-dealing? If yes, explain fully. [§107.730(a), §107.50]

Yes	
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No	
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9.3. Is the Small Business an Associate of any other Applicant, SBIC, or New Markets Venture Capital company? Has or will such other Applicant or SBIC provide financing to the Applicant. If yes, explain fully. [§107.730(a)(2)]

Yes	
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No	
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9.4. Is the Applicant or any Associate borrowing from the Small Business, its officers, directors or owners, or their relatives? If yes, explain fully. [§107.730(a)(3), §107.730(b)(1)]

Yes	
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No	
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9.5. Will Funds be used, directly or indirectly, to repay an obligation to an Associate of the Applicant; or to purchase property from an Associate of the Applicant? If yes, explain fully. [§107.730(a)(4), §107.730(a)(5)]

Yes	
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No	
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9.6. Is the Small Business compensating an Associate of the Applicant, directly or indirectly, in connection with the financing? If yes, explain fully. §107.730(b)(2)

Yes	
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No	
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9.7. Does an Associate of the Applicant have any voting equity interest in the Small Business of at least 5 percent? If yes, explain fully. [§107.730(d)(1), §107.730(d)(3)]

Yes	
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No	
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9.8. Does an Associate of the Applicant participate in the management of the Small Business. If yes, explain. §107.730(e)

Yes	
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No	
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9.9. If the Small Business is being, or has been, financed by any Associate, are the terms of such financing the same? If "no", give details of the terms of the financing by the Associate, and explain fully the justification for different terms, and why the Applicant is not being disadvantaged vis-à-vis its Associate. [§107.730(d)(2), §107.730(d)(3)]

Yes	
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No	
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10. GENERAL

10.1. Who from the Applicant has attended SBA's SBIC Regulations Class? When?

10.2. Very briefly state how the investment is consistent with Applicant's business plan.

10.3. Very briefly state how the investment is consistent with the experience of the management team of the Applicant.

10.4. Briefly explain how the type of security used in the investment is consistent with the Applicant's intended leverage type, if any.

Insert an "X" if Applicant will not be seeking Leverage →	
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REPRESENTATION

Applicant is contemplating an investment in the above-named Small Business and requests approval of such investment in order that that it may be included within Regulatory Capital as defined by the SBA. Applicant understands that the SBA is relying upon Applicant's representations, and that an examination by the SBA may find that the investment is ineligible and may be subject to divestiture or other regulatory action.

To the best of my knowledge and belief, I represent that the foregoing is true, and I acknowledge that these representations will be relied upon by the SBA.

Applicant			
Printed Name			
Signature		Date	

Checklist for Pre-License Investment Submission:

Before Financing is Closed

- Pre-Licensing Investment Worksheet
- Term Sheet
- Executive Summary of Business Plan
- Draft Form 1031 Portfolio Financing Report
- Pro-forma Form 480 Size Status Declaration
- Pro-forma Form 652 Assurance of Compliance for Non-Discrimination

After Financing is Closed

- Final Form 1031 Portfolio Financing Report (After licensing, submit this form electronically.)
- Signed Form 480 Size Status Declaration (Retain in your files.)
- Signed Form 652 Assurance of Compliance for Non-Discrimination (Retain in your files.)