



Name of Applicant	
Date of Submission	

**RURAL BUSINESS INVESTMENT PROGRAM (RBIP)  
U.S. Small Business Administration, Investment Division  
RURAL BUSINESS INVESTMENT COMPANY (RBIC)  
APPLICATION**

**PART II, EXHIBITS**

**SBA Form 2242**

Address	
Contact Person	
Telephone	
FAX	
Email	
Name of Person Submitting Application	

**U. S. SMALL BUSINESS ADMINISTRATION  
INVESTMENT DIVISION**

409 Third Street, SW Washington, DC 20416 Tel: (202) 205-6510

SBA is collecting the information on this form for the purpose of determining whether the applicant should be selected as a Rural Business Investment Company (RBIC). SBA is collecting this information on behalf of the U.S. Department of Agriculture (USDA) pursuant to a delegation of authority from USDA to SBA under 7 CFR 4290.45. The information will be used in performing background investigations of the key personnel of the applicant. The information collected on this form is required in order for your business to receive SBA assistance (except for the social security numbers of the applicant's key personnel; see Notices Required by Law, Page 2). The information collected on this form will be kept confidential to the extent permitted by law. The estimated burden for completing this RBIC Application (both Part I, SBA Form 2241, and Part II, SBA Form 2242) is 240 hours. You are not required to respond to this form unless it displays a current Office of Management and Budget (OMB) control number. If you have questions or comments concerning this estimate, please contact the U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, DC 20416 and/or Office of Management and Budget, Clearance Officer, Paperwork Reduction Project (3245-0332), Washington, DC 20503. **Please do not send forms to OMB.**

## 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 Part II, Exhibits to the RBIC 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 and 7 C.F.R. Part 2018, Subpart F. 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 USC 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 USC 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 384D(d)(2)(B) of the Consolidated Farm and Rural Development Act (7 USC 2009cc-3(d)(2)(B)) 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 RBIC 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 RBIC program.

Information you provide may indicate a violation or potential violation of civil, criminal, or administrative law. In that situation, SBA may refer the information to the appropriate Federal, State, local, or foreign agency charged with responsibility for, or otherwise involved in the investigation, prosecution, enforcement, or prevention of such violations. See 56 Fed. Reg. 8020 (1991) for other published routine uses of this information.

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 Director, Freedom of Information/Privacy Acts Division, Small Business Administration, 409 Third Street, SW, Washington, DC 20416 for information about the Agency's procedures on these two subjects.

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

This law provides, with some exceptions, that SBA must make records or portions of records contained in our files available to persons requesting them. This generally includes aggregate statistical information on the RBIC program and other information such as names of licensed RBICs and names of companies that have been financed by RBICs. SBA does not routinely make available to a third party 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 and identify it as a Freedom of Information Act (FOIA) request. The request must describe the specific records you want. For information about the FOIA, contact the U.S. Small Business Administration, Chief, FOI/PA Office, 409 3<sup>rd</sup> Street, SW, Suite 5900, Washington, DC 20416, or by e-mail at [foia@sba.gov](mailto:foia@sba.gov).

## EXHIBIT A CHECKLIST FOR RBIC EXHIBITS

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

EXHIBITS	Included	Completed In Final Form	Signed
A. Checklist for Exhibits to RBIC Application			
B. Parties Required to Submit Information			
C. Statements of Personal History (C-1, Individuals; C-2, Entities)			
D. Legal Proceedings Questionnaire			
E. Business Experience & Education of Principals			
F. Investment and Other Relevant 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 Charts			
L. Supplemental Information			
M. RBIC Capital Certificate			
N. Model Forecast			
O. Offering Memoranda and Other Documents			
P. Due Diligence Checklists, Reports, Term Sheets, Deal Summaries, Models, etc.			
Q. Organizational Documents of RBIC			
R. Opinions of Counsel			
S. Management Services and Other Agreements			
T. Bank Letter			
U. Legal Document Certification			
V. Discussion of Issues for Public RBICs (if relevant)			
W. Approval of Organizational & Management Expenses			
X. Visual Representation of Proposed Investment Area			
Y. Operational Assistance (OA) Grant Budget and Certifications			

**EXHIBIT B**  
**PARTIES REQUIRED TO SUBMIT INFORMATION**

**INSTRUCTIONS**

1. In the column labeled "Individual/Entity" of Table B1 please list (adding rows as needed) the names of:
  - (1) All officers and directors of a corporate RBIC, general partners of an unincorporated RBIC, or managers of an LLC RBIC. Note that if the general partner, in the case of an unincorporated RBIC, or the manager in the case of an LLC RBIC, is an entity, then also list all of the managers of that entity.
  - (2) All individuals or entities that exercise "Control" (see §4290.50) or who are "Control Persons" (see §4290.50).
  - (3) All individuals or entities who own or control, directly or indirectly, ownership interest of the RBIC equivalent to thirty-three percent (33%) or more of the outstanding ownership interests of the RBIC.
  - (4) All investment committee members.
  - (5) Any individual whose role is highly influential (SBA liaison, officers and employees of your investment advisor/manager with day-to-day management responsibility and/or signing authority for you).
  - (6) The three ranking managers or officers of any entity described in (2) or (3) above.
2. In the column labeled "Code," enter a category number from the choices (1) through (6) in Instruction 1 on this Exhibit B.
3. In the column labeled "Role in the RBIC," insert a few words describing each party's role in the RBIC. Use one line only.
4. In the column labeled "FPC," place an "X" for each individual required to be fingerprinted. (See Guidelines for Fingerprint Cards following Table B1.)
5. At the time of initial application submission, each individual listed in table B1 must submit an Exhibit C-1, Statement of Personal History and each entity listed in table B1 must submit an Exhibit C-2, Statement of Personal History. Each individual requiring fingerprinting must submit two (2) fingerprint cards.
6. Once you are satisfied that you have completed the requirements for Table B1, please delete these instructions.

<b>Table B1 Parties Required to Submit Information</b>			
Individual/Entity	Code	Role in the RBIC	FPC

**GUIDELINES AND INSTRUCTIONS 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 RBIC applicant, even if that person is not listed in Table B1.

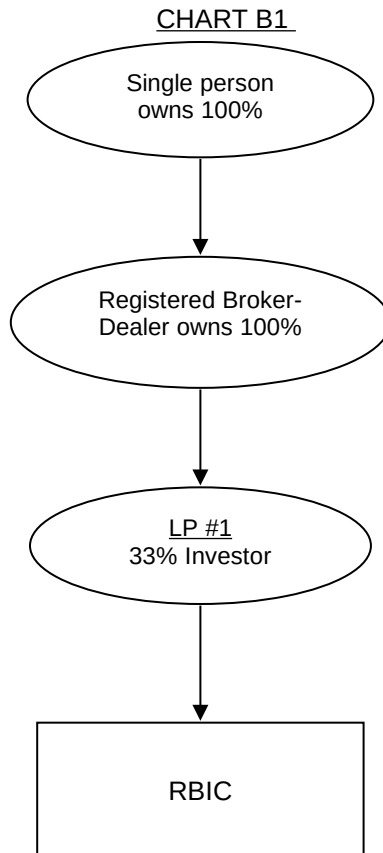
**FINGERPRINT CARD FORM FD-258 MUST BE USED:** These are available from most law enforcement agencies, and are also available by mail from the SBA through a program development analyst, operations analyst, or by sending an email request to [sbic@sba.gov](mailto:sbic@sba.gov).

**NUMBER OF CARDS:** You must submit **two (2) original, complete and signed sets of fingerprint cards** from each individual who is required to submit fingerprint cards.

**EXEMPTIONS:** The entities listed below are exempt from the requirement that their three ranking managers submit fingerprint cards. However, if one of the three ranking managers has an arrest record, that individual must submit fingerprint cards 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:



- The starting point in this analysis is the recognition that LP#1 is an entity investor which has a 33% ownership interest in the RBIC. Therefore, under the Item No. 1.(3) 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. 1.(6)), 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.

#### **NOTICES FOR RBIC APPLICANTS**

- For limited partnership applicants, all principals and a majority of a voting investment committee must be U.S. citizens or permanent resident aliens who, in each case, permanently reside in the U.S.
- For limited liability company applicants, all managing members and a majority of a voting investment committee must be U.S. citizens or permanent resident aliens who, in each case, permanently reside in the U.S.
- For corporate applicants, all officers and a majority of the members of the board of directors must be U.S. citizens or permanent resident aliens who, in each case, permanently reside in the U.S.

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

**INSTRUCTIONS**

Submit this Exhibit C with the initial application submission. For each principal, submit this Exhibit C1 together with Exhibits D through H; group such exhibits together by principal. Individuals must complete Exhibit C-1; entities must complete Exhibit C-2. Follow the instructions in Exhibit B regarding which individuals/entities must submit this Exhibit C. The terms “you” and “I” as used in this Exhibit refer to the individual/entity completing the Exhibit, not the RBIC.

<b>C1. RBIC Name</b>			
<b>RBIC Address: Street, City, State, Zip Code</b>			
<b>Phone:</b>		<b>Fax:</b>	
		<b>Email:</b>	

<b>C2a. First Name in Full</b>	<b>Middle Name(s) in Full (If “none,” so state)</b>	<b>Last Name</b>	
<b>C2b. List All Former Name(s) and Any Other Current Names Used (If “none,” so state)</b>		<b>From (Date)</b>	<b>To (Date)</b>
<b>C2c. List current and any former or other social security numbers used and names associated with these numbers. (If “None,” so state.)</b>			

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

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

From (Date)	To (Date)	Address



Answer all of the following questions. If the answer to any of the following questions is "yes," furnish complete details on a separate sheet, attached to this exhibit. Include dates, location, fines, and penalties (paid and unpaid), sentences, (whether 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	
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	

Answer the following question. If "yes," furnish complete details of any such proceeding on a separate sheet (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.

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**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 or civil penalties under 18 USC §§287, 371, 1001, and 1006, 7 USC §2009cc-14, 15 USC §645, and 31 USC §3729, government-wide debarment or suspension under 13 CFR Part 145, and denial, suspension, or revocation of designation as a RBIC.

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 RBIC Program.

Signature

Title

Date

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

<b>C1. RBIC Name</b>			
<b>RBIC Address Street, City, State, Zip Code</b>			
<b>Phone:</b>		<b>Fax:</b>	<b>Email:</b>
<b>C2. Legal Name of Entity</b>			
<b>C3. List all former name(s) and addresses, EINs and any other trade names and address used (If "none," so state)</b>			
<b>C4. Headquarters Address (street address, not mailing address)</b>			
<b>C5. Contact Name /Title</b>			
<b>C6. Phone:</b>		<b>Fax:</b>	<b>Email:</b>
<b>C7. Date of Organization</b>		<b>EIN</b>	
<b>C8. State/Foreign Country of Organization</b>			
<b>C9. List the three ranking officers/managers with their respective titles.</b>			
<b>Name</b>		<b>Title</b>	

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 or civil penalties under 18 USC §§287, 371, 1001, and 1006, 7 USC 2009cc-14, 15 USC §645, and 31 USC §3729, government-wide debarment or suspension under 13 CFR Part 145, and denial, suspension, or revocation of designation as a RBIC.

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 Rural Business Investment Program.

Signature

Title

Date

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**EXHIBIT D  
LEGAL PROCEEDINGS HISTORY**

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Individual Name

Date

**INSTRUCTIONS**

1. Submit this Exhibit D with the initial application submission. Each individual listed on Table B1 in Exhibit B with corresponding numerical code (1), (2) or (5) must submit this Exhibit D. The terms "I" and "you" as used in this Exhibit refer to the individual completing the Exhibit, not the RBIC.
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. In answering the following questions, a "substantial ownership interest" in an organization is considered to be an interest, direct or indirect, of 20% or more as reflected in either equity interests, voting interests, or profit interests. The term "senior management," generally refers to meaningful participation in budget or investment decisions (e.g., membership on investment or budget committee).

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

No

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

No

D3a. Are you now the subject of any investigation or disciplinary hearing or proceeding by a governmental agency, regulatory body, or professional association?

Yes

No

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

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 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

D9a. Have you, as a result of your role as a member of senior management or as the 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

No

D9b. If "yes," did the subject matter involve your personal conduct or fall within your area of responsibility?

Yes

No

N/A

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

Yes

No

N/A

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

No

D11. During the past 10 years, have you filed voluntarily, or had filed against you involuntarily, a bankruptcy petition?

Yes

No

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

No

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

No

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, etc.)?

Yes

No

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 D and any other information I 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 or civil penalties under 18 USC §§287, 371, 1001, and 1006, 7 USC §§2009cc-14, 15 USC §645, and 31 USC §3729, and denial, suspension, or revocation of licensure as a RBIC.

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 RBIC program.

Signature

Title

Date

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## EXHIBIT E

### BUSINESS EXPERIENCE & EDUCATION

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1. Submit this Exhibit E with the initial application submission. Each individual listed on Table B1 in Exhibit B with corresponding numerical code (1) or (5) must submit this Exhibit. The terms “I,” “my,” “myself,” “you,” and “your” as used in this Exhibit E refer to the individual completing the Exhibit, not the RBIC.

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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.

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### **INSTRUCTIONS**

1. Submit this Exhibit E with the initial application submission. Each individual listed on Table B1 in Exhibit B with corresponding numerical code (1) or (5) must submit this Exhibit. The terms “you” and “your” as used in this Exhibit E refer to the individual completing the Exhibit, not the RBIC.
2. Resume.  
For each individual, provide a resume (not 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 Times Roman.
  - ◆ Relate your business and professional experience during the past 20 years, as well as any prior experience that relates to your qualifications to manage a RBIC. 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 you consider relevant to demonstrate qualifications for managing a RBIC.
3. References.  
For each individual, provide five prior or current professional/character references in category (A) and (F), and between two and five each for categories (B) through (E). Be sure to identify in which category a reference is being provided, and *do not provide more than one name from any single firm*. Do not provide a reference from someone who is a principal, employee or member of any committee of the applicant. Do not provide a reference in category (F) from any current SBA or USDA employees. Please use Table E1 below to display information concerning references.

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

For each reference, give the following information:

- Name, plus title and company or organization, 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.

4. Prior Common Experience.

In Tables E2, E3, and E4 below, please list previous common experiences among the individuals listed on Table B1 in Exhibit B. Add lines and expand boxes as needed.

Individual Name	Date
-----------------	------

E1 References		
Reference's Name and Contact Information	Time Periods and Description of Relationship	Category of Reference (A) - (F)

E2 Common Experience in a Private Equity Fund		
Fund Name	Individuals	Overlapping Dates

E3 Common Experience in Other Types of Companies		
Company Name & Activity of Entity	Individuals	Overlapping Dates

E4 Other Common Experience		
Nature of Interaction	Individuals	Overlapping Dates

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**EXHIBIT F**  
**INVESTMENT AND OTHER RELEVANT EXPERIENCE**

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Individual Name

Date

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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.

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GENERAL INSTRUCTIONS

1. Submit this Exhibit F with the initial application submission. Each individual listed on Table B1 in Exhibit B with corresponding numerical code (1) or (5) must submit this exhibit. The terms “I,” “my,” “myself,” “you,” or “your” as used in this Exhibit F refer to the individual completing the Exhibit, not the RBIC.
2. This Exhibit F is divided into four sections to be completed as follows:
  - Section F-1, “Relevant Investment Experience” in Excel format.
  - Section F-2, “Relevant Venture Capital Finance and Community Development Finance Experience”: Individuals with lending experience must complete Section F-2.
  - Section F-3, “Relevant Grant Management Experience”: Individuals with grants management experience must complete Section F-3.
  - Section F-4, “Relevant Venture Capital Finance and Community Development Finance Experience.”
3. In completing this Exhibit F, you can duplicate pages and tables as needed. You can change table column widths as desired, and you can add or delete rows as appropriate. Insofar as possible, do not allow tables to break across pages.
4. When entering data into tables, place brackets “< >” around all negative numbers and/or losses. For all data requested in dollar amounts, do not use “000” or “000,000,” but rather use “K” for thousands and “M” for millions. Use ditto marks for duplicate alpha information such as “company” or “industry.”
5. When responding to the questions in this Exhibit F, do not present any experience gained more than 10 years ago. In Sections F2 and F3, do not present more than five years total of experience, and present only that which is most recent.
6. Do not discuss any information or financial results (e.g., returns on investment, distributions to investors, loan data) that cannot be verified by SBA via due diligence.
7. For all questions requesting a narrative response, limit your answers to 10 lines or less, unless otherwise specifically instructed.

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**Section F-1 Relevant Investment Experience**

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Exhibit F-1, including instructions and a comprehensive example, is available in a separate Excel file. To download this file, please go to [www.sba.gov/INV](http://www.sba.gov/INV) and click on “For RBIC Applicants”.



**Section F-2 Relevant Venture Capital Finance and Community Development Finance Experience**

F2.1 In a narrative form, indicate which of the investments listed in Section F-1, "Relevant Investment Experience," you believe qualify as Relevant Venture Capital Finance or Community Development Finance (see §4290.50). Explain why you believe each of those investments qualify as such.

F2.2 Discuss how you will use the experience resulting from these Relevant Venture Capital Finance and Community Development Finance investments to enhance the RBIC's management team capabilities and to assist the RBIC in fulfilling its business plan.

F2.3 Lending Experience			
Name of Lending Institution			
Address			
Contact Name		Phone	
Type of Lending Institution (e.g., Bank, Thrift, Credit Union, Community Development Corporation, Certified Development Corporation, (CDFI))			
Individual's Title and/or Role			

Using the most recent annual audited statement for the lending institution, indicate the lending institution's capital (e.g., net assets for non-profits; net capital for credit unions; or total equity for banks, thrifts and other for-profits).

Capital of Lending Institution	\$
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List all states served by the lending institution:					
Target Market	Rural		Suburban		Urban
Primary Market	Rural		Suburban		Urban
Percentage of lending targeted to RURAL Areas					%

F2.4 List and briefly describe loans you made or worked on while employed at the lending institutions described in Question F2.3 or otherwise that you believe qualify as Community Development Finance (see §4290.50). Explain why you believe each loan qualifies as such.

F2.5 Discuss how you will use the lending experience resulting from these Community Development Finance loans to enhance the RBIC's management team capabilities and to assist the RBIC in fulfilling its mission and business plan.

F2.6 Rural Area lending experience.  
Briefly describe any experience you have in commercial lending to enterprises located in Rural Areas and how you will use this lending experience to assist the RBIC in fulfilling its business plan.

F2.7 Experience with workouts, turnarounds, bankruptcies, and liquidations.  
If you have experience lending to enterprises located in Rural Areas, describe any experience you have as a decision-maker with direct responsibility for the outcome (i.e.,

not as a consultant) with loans that involved workouts, turnarounds, bankruptcies, or liquidations. State the approximate number and average size of the loans, and describe the outcome of the workouts, turnarounds, bankruptcies, and/or liquidations.

F2.8 Non-monetary contributions to enterprises located in Rural Areas. If you have experience in investing or lending to enterprises located in Rural Areas, describe the major non-monetary contributions that you have made to such enterprises. Cite specific examples to illustrate your discussion.

**Section F-3**  
**Relevant Grant Management Experience**

F3.1 Summary Information			
Name of Entity			
Address			
Contact Name		Phone	
Purpose of Entity			
Targeted Market			
States Served by the Entity			
Nature of services or training provided			

Using annual financial statements for the entity indicate past performance for each year that corresponds with your experience.				
Year	Number of Clients	Grant Funds	Employees	Total Expenses
		\$		\$
		\$		\$
		\$		\$
		\$		\$
		\$		\$

F3.2 Briefly describe your role in the grant recipient entity. Quantify where possible your responsibility and authority (e.g., the number of clients receiving grant funds, total grant amount, number of employees supervised).

F3.3 Describe how you believe your grants management experience is relevant to your role in and the mission of the RBIC.

F3.4 If you have experience in providing grant-funded assistance to smaller enterprises, describe the major non-monetary contributions that you have made to such smaller enterprises. Cite specific examples to illustrate your discussion.

**EXHIBIT G**  
**INFORMATION REGARDING**  
**OTHER ACTIVITIES AND RELATIONSHIPS**

Individual Name	Date
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**INSTRUCTIONS**

Submit this Exhibit G with the initial application submission. Each individual listed on Table B1 in Exhibit B with corresponding numerical code (1) must submit this Exhibit. The terms “you” and “your” as used in this Exhibit refer to the individual completing the Exhibit, not the RBIC.

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

G2. List all for-profit and non-profit boards, committees and councils on which you sit, and estimate the percentage of time that each now occupy and the percentage they will take once the RBIC is licensed.

G3. If you own, or will own, 10% or more of the RBIC’s Private Capital (see §4290.230), were the funds used, or to be used, in purchasing said Private Capital, borrowed?

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

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 box, provide the name of the SBIC, NMVCC or applicant for the SBIC or NMVC program, your positions, and the dates of affiliation.)

Are you, or have you been:

G4.1 an investor of 10% or more in a SBIC, NMVCC or applicant for the SBIC or NMVC program?

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

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

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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G4.3 an employee, owner, or principal (1) of an SBIC, NMVCC or applicant for the SBIC or NMVC program, or (2) of any management company or investment advisor associated with any such company or applicant?

Yes <input type="checkbox"/>	No <input type="checkbox"/>
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G4.4 a member of any investment committee or advisory committee of a SBIC, NMVCC or applicant for the SBIC or NMVC program?

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

G5. Are you a Close Relative (see §4290.50) of any person Affiliated (13 CFR 121.103) with the Applicant or of any SBIC, NMVCC or applicant for the SBIC or NMVC program.

Yes  No

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

G6. To the best of your knowledge and belief, during the past 10 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 SBIC, NMVCC or applicant for the SBIC or NMVC program?

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 10 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 or USDA.

Yes  No

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

G8. To the best of your knowledge and belief, during the past 10 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 or USDA, other than loans?

Yes  No

If "yes," give full details.

G9. Are you related to any SBA or USDA employee or any member of any SBA or USDA advisory council by blood, marriage, or adoption?

Yes  No

If "yes," state the name of the employee, the nature of the relationship, and contact information.

G10. To the best of your knowledge and belief, does any SBA or USDA employee or member of any SBA or USDA advisory council have or have had in the 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 "yes," state the name of the employee, the nature of the relationship, and contact information.

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**EXHIBIT H  
AUTHORIZATION TO RELEASE INFORMATION**

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Individual Name	Date
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**INSTRUCTIONS**

Submit this Exhibit H with the initial application submission. Each individual listed on table B1 in Exhibit B with corresponding numerical code (1) must submit this Exhibit.

**DECLARATION**

In connection with an application for designation as a RBIC, or operation of a RBIC, I hereby authorize the U.S. Small Business Administration 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.

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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.

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Printed Name/Title		
Signature		Date

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**EXHIBIT I**  
**DECLARATION OF SIGNIFICANT INVESTORS**

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Individual/Entity Name	Date
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**INSTRUCTIONS**

Submit this Exhibit I with the initial application submission. Each individual or entity that subscribes for 50% or more of the ownership interests of the RBIC and that is not required to sign the Declaration found on page 2 of SBA Form 2241, RBIC Application, Part I, Management Assessment Questionnaire, must submit this Exhibit.

**DECLARATION**

1. The undersigned certifies that all information submitted by it or on its behalf in connection with SBA Form 2241 and Form 2242 is true and correct to the best of its knowledge and belief. 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 Rural Business Investment Company. The undersigned understands that all statements made by it or on its behalf in connection with the SBA Form 2241 and Form 2242 are considered material by SBA in evaluating the Applicant's application for a license to operate as a Rural 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 and civil penalties under 18 USC §§287, 371, 1001, and 1006, 7 USC §§2009cc-14, 15 USC §645, and 31 USC §3729.
3. The undersigned has not obtained, directly or indirectly, any of the funds it is investing in the RBIC from any SBIC, NMVCC or any business financed by an SBIC or NMVCC, and will not use any proceeds of a financing by any SBIC or NMVCC to repay any obligation that it has incurred, directly or indirectly, in connection with the purchase of its ownership in the RBIC.
4. The undersigned will not participate in or consent to any action by the RBIC that to the best of its knowledge and belief constitutes a violation of the Consolidated Farm and Rural Development Act of 2002, as amended, or that constitutes a violation of applicable USDA and SBA regulations.

Printed Name of Investor		
Signature		Date
Title		

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**EXHIBIT J**  
**TRANSFEROR’S LIABILITY CONTRACT**

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Individual/Entity Name

Date

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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 “IMPERMISSABLE” TRANSFER OF OWNERSHIP OR CONTROL OF THE RBIC.

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**INSTRUCTIONS**

Submit this Exhibit J with the initial application submission for:

- (i) each individual, in his/her individual capacity, listed in table B1 in Exhibit B with the corresponding numerical code (1),
- (ii) each individual, in his/her individual capacity, who will own or control, directly or indirectly, 50% or more of the Private Capital (see §4290.230) of the RBIC, and
- (iii) each entity that will own or control, directly or indirectly, 50% or more of the Private Capital of the RBIC.
- (iv) each individual, in his/her individual capacity, who will own or control, directly or indirectly, 10% or more of the Private Capital of the RBIC *and* will participate in investment decisions of the RBIC (e.g., participation on the RBIC’s Investment Committee), and
- (v) each entity that will own or control, directly or indirectly, 10% or more of the Private Capital of the RBIC *and* will have a nominee who participates in investment decisions of the RBIC.

**DEFINITIONS**

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

“Act” means the Consolidated Farm and Rural Development Act of 2002, 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 RBIC, including, without limitation, rights to receive assets, income, distributions or other amounts from RBIC and rights to vote, consent or otherwise participate in decisions concerning RBIC, (ii) the ability to control RBIC, including, without limitation, rights to vote, consent or otherwise participate in decisions concerning RBIC or (iii) the admission or substitution of a new principal in RBIC or new investor in RBIC’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 RBIC as defined in 7 CFR §4290.50.

“RBIC” means the Rural Business Investment Company licensed by USDA and SBA pursuant to 7 CFR 4290.390 (or applicant for such license), named above.

“Obligations” means all amounts that are or may become due and payable from a RBIC 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 7 CFR §230.

“SBA” means the U.S. Small Business Administration. SBA is implementing the Act pursuant to a delegation of authority from USDA to SBA under 7 CFR 4290.45.

“USDA” means the U.S. Department of Agriculture.

### **CONTRACT**

In order to induce the SBA to provide Leverage under Section 384E of the Act (7 USC 2009cc-4) 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 RBIC or any of its assets, or to proceed against or exhaust any collateral security that may have been given to SBA in connection a RBIC'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 a RBIC after full written disclosure by a RBIC 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 RBIC 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 a RBIC 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 a RBIC's obligations to SBA or otherwise deal with a RBIC 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 a RBIC in connection with any and all Leverage provided by SBA to RBIC.



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 the RBIC.

**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	
Signature		Date	
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	

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**EXHIBIT K**  
**RBIC ORGANIZATION CHARTS**

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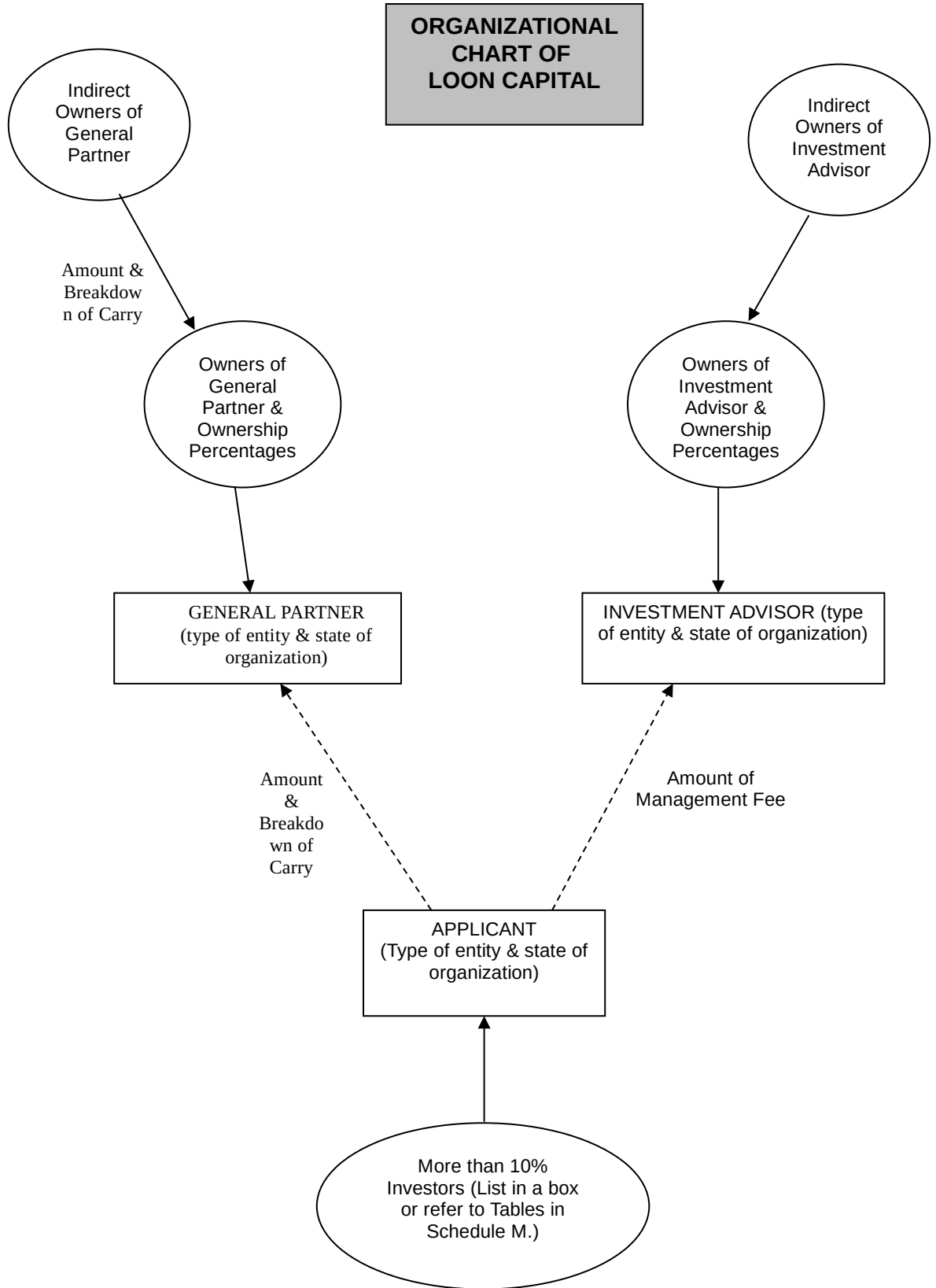
***INSTRUCTIONS***

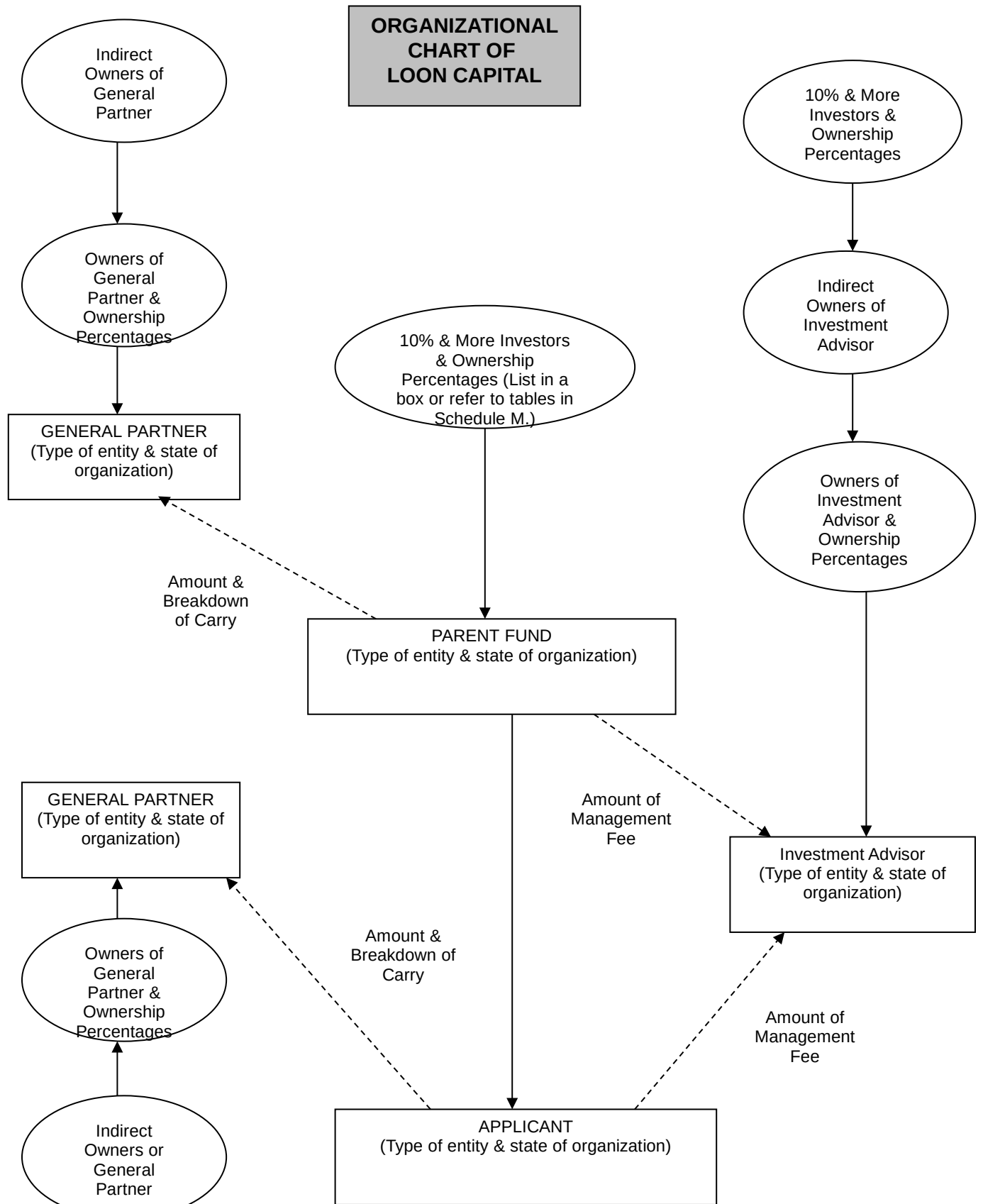
Submit Exhibit K with the initial application. Draft documents are acceptable at that time. You must submit Exhibit K in final form, including a narrative supporting statement explaining the organization chart, by a later date specified by SBA. Exhibit K must be acceptable to SBA before the RBIC will be licensed.

You may use either of the templates provided (use the second for a drop-down fund) but be sure to remove the descriptive words and enter the appropriate data. Delete these instructions and insert two organizational charts as described below. Each chart must include a heading stating the name of the RBIC.

K1. An organization chart of all individuals or entities with a direct or indirect ownership interest in the carried interest of the RBIC, or in the annual management fee to be paid by the RBIC. Show the percentage amount of any carried interest and the dollar amount of the annual management fee, and the ownership interest in each of them by percentage. The chart also must show the names of all investors (10% or more only) in the RBIC (see the two examples for this K1 on the next pages).

K2. An organization chart of the management of the RBIC. Identify each individual by name and title, projected or actual annual salary and the percentage of that person's time commitment to the RBIC. Also include such information for the managers of any general partner or investment advisor.





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**EXHIBIT L**  
**SUPPLEMENTAL INFORMATION**

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***INSTRUCTIONS***

If you wish to provide extensive supplemental information for a particular question, you may do so in this Exhibit. If this Exhibit is used, be sure to identify the question being referenced. If this Exhibit is not utilized, write "N/A" and retain this page in the submission so that it is clear that a page is not missing.

## **EXHIBIT M RBIC CAPITAL CERTIFICATE**

### **GENERAL INSTRUCTIONS**

*Please delete this page of instructions prior to filing.*

- a. As used in this Capital Certificate, “*Applicant*” means the applicant for a license as a RBIC or an existing RBIC, 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, an officer, managing member, or general partner of the entity general partner must sign the Capital Certificate.
- c. For limited liability companies, the Capital Certificate must be signed by an authorized managing member, manager or officer. If the managing member is an entity managing member, an officer, managing member, or general partner of the entity managing member must sign the Capital Certificate.
- 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 are not required to submit this Exhibit M with your initial application submission, unless you have obtained binding commitments from all investors by that time. You must submit a signed Capital Certificate that meets the minimum Regulatory and Leverageable Capital requirements by the date specified by SBA, in order to be considered by SBA and USDA for final licensing action.

### **INSTRUCTIONS AFTER APPLICANT HAS BEEN LICENSED**

Each time you apply to SBA for a leverage draw, you must submit an updated RBIC Capital Certificate, unless the one on file with SBA is still accurate.

**EXHIBIT M**  
**RBIC CAPITAL CERTIFICATE**

RBIC Name	
Date of this Certificate	
Applicant's Leverageable Capital	\$
Applicant's Regulatory Capital	\$
Applicant's Regulatory Capital Adjusted to Determine Overline Limit	\$

**DECLARATION**

AS A MATERIAL INDUCEMENT FOR THE U.S. SMALL BUSINESS ADMINISTRATION ("SBA") AND THE U.S. DEPARTMENT OF AGRICULTURE ("USDA") TO ISSUE THE APPLICANT A LICENSE AS A RURAL 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**<sup>1</sup>. 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 or USDA, their 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 cash<sup>2</sup> ("*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 Investor;
  - b. for each investor designated as an Entity or Individual Institutional Investor, the subsection of the definition of Institutional Investor in 7 CFR §4290.50 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. **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:
  - a. it meets the criteria for qualifying as an Institutional Investor under that subsection of the definition of Institutional Investor (see 7 CFR §4290.50)

<sup>1</sup> 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.

<sup>2</sup> Non-cash contributions will not be accepted without the prior written approval of the SBA.

designated in Tables M1A, M1B and M1D; See *Addendum A to Exhibit M for information on the use of dual commitments.*

- b. 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;<sup>3</sup>
- c. 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;
- d. its Capital Commitment constitutes Private Capital (as defined in 7 CFR §4290.230), and except as specified in Table M1H, no part of such Capital Commitment constitutes Qualified Non-private Funds (as defined in 7 CFR §4290.50); and
- e. 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
- f. 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 Individual 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 purposes of the Management and Ownership Diversity requirement (7 CFR §4290.150(c)).<sup>4</sup> 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.

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<sup>3</sup> 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 7 CFR §4290.50, "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.

<sup>4</sup> 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 7 CFR §4290.150(c).



**6. Qualified Non-private Funds.** Table M1H shows Applicant's "Qualified Non-private Funds" (as defined in 7 CFR §4290.50) and the ratio of such Qualified Non-private Funds to Applicant's Regulatory Capital.

**7. Associate Investors.** Table M1I shows all of Applicant's investors that are *Associates* (as defined in 7 CFR §4290.50) of Applicant, 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. 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.

**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 a RBIC license.

**13. 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 and civil penalties under 18 USC §§287, 371, 1001, and 1006; 15 USC §645; and 31 USC §3729.

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

Name of Applicant:	
By ( <i>Typed Name</i> ):	
Title ( <i>e.g., President, Manager, General Partner</i> ) <sup>5</sup> :	
Signature:	

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<sup>5</sup> 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 <sup>6</sup>			“X” if this is a Drop-Down Fund →		
Name & Address <sup>7</sup>	Type of Entity & Qualifying Subsection	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N/A)
<b>Totals</b>					

Table M1B – Individual Institutional Investors			“X” if this is a Drop-Down Fund →		
Name & Address <sup>8</sup>	Qualifying Subsection	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N/A)
<b>Totals</b>					

<sup>6</sup> 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.

<sup>7</sup> Entity investors must list their business addresses. P.O. boxes are not acceptable addresses.

<sup>8</sup> Individual investors must list their primary residence. P.O. boxes are not acceptable addresses.

Table M1C – Other Investors <sup>9</sup>			“X” if this is a Drop-Down Fund →			
Name & Address <sup>10</sup>	Type (e.g., individual, LLC)	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N/A)	Enter “X” if Parent Fund
<b>Totals</b>						

Table M1D – Dual Commitments <sup>11</sup>		“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/A)
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)					
<b>TOTALS [Add only amounts that are not in brackets]</b>					

<sup>9</sup> Any Investor that does not meet the criteria for an Institutional Investor (see 7 CFR §4290.50) is considered an Other Investor for purposes of this Capital Certificate.

<sup>10</sup> Individuals must list their primary residence and entity investors must list their business address. P.O. boxes are not acceptable addresses.

<sup>11</sup> 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 M1H – Qualified Non-private Funds			
Name of Investor <i>(from Table M1A, M1B or M1C)</i>	Capital Commitment	Qualified Non-private Funds Whose Source is Federal Funds	Qualified Non-private Funds Whose Source is State or Local Gov't. Funds
<b>Totals</b>			
Non-Federal Qualified Non-private 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

**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.

<b>Table M1K – 10% Investors</b>		
<b>Level 1 – RBIC 10% Investors</b>	<b>Level 2 – Owners of RBIC 10% Investors</b>	<b>Level 3 – Indirect Equity Holder - % of Level 2 / % of RBIC</b>
Bermuda Triangle Holdings 40%	High & Wide Investments 50%	Fred Jones 50%
	John Smith 30%	Steve Brown 50%
	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 M2 – Investors Who Are Not Permanent Residents of the United States <sup>20</sup>	
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
<b>Totals</b>				

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

<sup>20</sup> 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.



<b>Table M6. DROP-DOWN RBIC REGULATORY CAPITAL CALCULATION</b>			
<b>PARENT FUND</b>			
	<b>Total Capital Commitment</b>	<b>Funded</b>	<b>Unfunded</b>
<b>Total Amount</b>			
<b>Institutional Investors</b>			
<b>Other Investors</b>			
<b>Calculate Institutional Investor Percentage: (Divide Total Capital Commitment of Institutional Investors by Total Capital Commitment.)</b>			%
<b>RBIC</b>			
	<b>Total Capital Commitment</b>	<b>Funded</b>	<b>Unfunded</b>
<b>RBIC Total</b>			
<b>Attributable to Institutional Investors: (Multiply Unfunded Amount by Institutional Investor Percentage)</b>			
<b>Add Funded Amount</b>			
<b>Total Equals Regulatory Capital</b>			

## 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 RBICs 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 and the guarantee must be executed and a copy submitted to SBA before the licensing approval process can be finalized.

*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 7 CFR §4290.50 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 or members, if applicable, attached to the limited partnership agreement or operating agreement, as the case may be.

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.**

#### **NOTES ON DROP-DOWN FUNDS**

Applicants that are "drop-down funds" (*i.e., funded by one or more parent venture funds*) should use the standard Capital Certificate with these changes/additions:

1. Unless SBA otherwise approves, SBA requires each parent fund of an Applicant to be the Applicant's primary investor ("Class A investor") and each parent fund's Institutional Investors to become stand-by investors ("Class B investors") in the Applicant. Each Class B investor must sign the Applicant's partnership/membership agreement.
2. Unless SBA otherwise approves, a parent fund of the Applicant is not considered an Institutional Investor and should be listed as an "Other Investor" in Table M1C.
3. The names and address of all of the Institutional Investors in the parent fund of the Applicant (including those making dual commitments), along with their

respective capital commitments, paid-in capital and unfunded commitments, must be listed in Table M1A, M1B or M1D, as appropriate.

4. The names and addresses of those parent fund investors that do not qualify as Institutional Investors, along with the amount of their respective capital commitments, paid-in capital and unfunded commitments, must be listed in Table M1C as "Other Investors".
5. For purposes of determining the applicant's Regulatory Capital, the unfunded commitment of the parent fund is only considered to be Regulatory Capital to the extent it is backed up by investors that qualify as Institutional Investors. Thus, to compute an applicant's Regulatory Capital in the case of a drop-down, you must complete Table M6.

EXAMPLE OF CALCULATION OF REGULATORY CAPITAL FOR A DROP-DOWN  
SBIC

<b>Table M6. DROP-DOWN RBIC REGULATORY CAPITAL CALCULATION</b>			
<b>PARENT FUND</b>			
	<b>Total Capital Commitment</b>	<b>Funded</b>	<b>Unfunded</b>
<b>Total Amount</b>	100M	40M	60M
<b>Institutional Investors</b>	80	32	48
<b>Other Investors</b>	20	8	12
<b>Calculate Institutional Investor Percentage: (Divide Total Capital Commitment of Institutional Investors by Total Capital Commitment.)</b>			80%
<b>RBIC</b>			
	<b>Total Capital Commitment</b>	<b>Funded</b>	<b>Unfunded</b>
<b>RBIC Total</b>	20	4	16
<b>Attributable to Institutional Investors: (Multiply Unfunded Amount by Institutional Investor Percentage)</b>			12.8
<b>Add Funded Amount</b>			4
<b>Adjustments (Explain in note directly below table)</b>			0
<b>Total Equals Regulatory Capital</b>			16.8

**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 a RBIC or an existing RBIC, 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 7 CFR §4290.150.

INSTITUTIONAL INVESTOR is defined in 7 CFR §4290.50.

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 is defined in 7 CFR §4290.50.

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 7 CFR §4290.740.

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 excluding the Unfunded Commitment. (Non-cash contributions will not be accepted without prior written approval.)

QUALIFIED NON-PRIVATE FUNDS is defined in 7 CFR §4290.50.

REGULATORY CAPITAL is defined in 7 CFR §4290.50.

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 form in this Addendum C, however, SBA has found it acceptable in the past, and it is presented for your convenience.

[Name and Address of Fund]

[Date]

Dear \_\_\_\_\_:

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/or]
- c. receipt of evidence that the Partnership’s application as a Rural Business Investment Company (“RBIC”) has been selected by the U.S. Small Business Administration (“SBA”) and U.S. Department of Agriculture (“USDA”) and it is reasonable to anticipate that the Partnership will be licensed as a RBIC.

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

Very truly yours,

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## **EXHIBIT N MODEL FORECAST**

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### ***INSTRUCTIONS***

Submit this Exhibit N with your initial application submission. 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
-

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**EXHIBIT O**  
**OFFERING DOCUMENTS**

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***INSTRUCTIONS***

Submit this Exhibit O with the initial application submission, to the extent that documents are available. Draft documents are acceptable. You must submit this Exhibit O in final form by the date specified by SBA. These documents must be acceptable to SBA before the RBIC will be licensed.

Attach your offering memorandum, prospectus, letter, or other publication that you have provided or plan to provide to your investors; and any documents filed with the Securities and Exchange Commission (SEC) (see §4290.660(a) and (b)).



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**EXHIBIT P**  
**INTERNAL DUE DILIGENCE DOCUMENTS**

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***INSTRUCTIONS***

Submit this Exhibit P with the initial application submission to the extent that documents are available. Draft documents are acceptable.

Attach all documents relating to your internal due diligence and decision-making process for investments, for example:

- Due diligence checklists and questionnaires
- Report formats
- Term sheets
- Deal summary formats
- Financial models
- Investment committee decision-making formats

Questions in the RBIC Application, Part I, MAQ, Form 2241 that specifically reference Exhibit P are: 214, 417, 419, 422.1, 422.2, and 422.5.

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## EXHIBIT Q ORGANIZATIONAL DOCUMENTS OF RBIC

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### **INSTRUCTIONS**

**Do not submit this Exhibit Q with the initial application submission.** You must submit this Exhibit Q in final form by a later date specified by SBA. These documents must be acceptable to SBA and signed before the RBIC will be licensed.

For the RBIC and its general partner or managing member, 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 or other comparable document and a copy of the operating agreement
- C. For corporations, include a copy of the articles of incorporation or charter and by-laws.
- D. For a limited partnership RBIC with a general partner that is an entity (i.e., corporation, LLC, or partnership) ("Entity General Partner") or for a limited liability company RBIC with a managing member that is an entity ("Entity Managing Member"), the organizational documents for such Entity General Partner or Entity Managing Member as well.

Please note that for such Entity General Partners and Entity Managing Members, the organizational documents for such entity must include language which states that the entity is organized under state law solely for the purpose of serving as the general partner or managing member of one or more RBICs.

**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.** Applicants may use the SBIC model partnership agreement for limited partnership RBICs. If used, an edited version must be submitted showing the changes made to the model partnership agreement. If the SBIC model partnership agreement is not used, the most current version of SBA Annex GDP, as appropriate, must be attached and incorporated by reference into your partnership agreement.

**4. Execution.** The organizational documents 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 organizational documents must be signed, however, prior to SBA's and USDA's approval of the Applicant's license.

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## EXHIBIT R OPINIONS OF COUNSEL

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### INSTRUCTIONS

**Do not submit this Exhibit R with the initial application submission.** You must submit this Exhibit R in final form by the date specified by SBA. These documents must be acceptable to SBA and signed before the RBIC will be licensed.

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 as a [type of organization], is validly existing in good standing under the laws of [state of organization] and is duly qualified to do business and is in good standing as a foreign [type of organization] in [list of states]. The applicant is qualified to do business as a foreign [type of organization] in all jurisdictions in which the failure to qualify would have a materially adverse effect on its business or financial condition. (**Limited partnership applicants, please add** -- The general partner has been duly organized as a [type of organization] and is validly existing in good standing under the laws of [state of organization])
- (b) The applicant is chartered or registered by the appropriate authorities to conduct, in its proposed operating territory or area, the activities described under Title III of the Small Business Investment Act of 1958, as amended.
- (c) The issuance and sale of the [limited partnership interests to the limited partners pursuant to the applicant's agreement of limited partnership/membership interests to the members pursuant to the applicant's operating agreement] has been duly authorized and such limited partnership interests are validly issued.
- (d) Each person identified as a [limited partner in the agreement of limited partnership of the applicant/member in the applicant's operating agreement] has been duly admitted as a [limited partner/member] of the applicant.
- (e) Each [limited partner/member] is obligated to contribute capital to the applicant in accordance with the terms of the capital contribution provisions of the applicant's [agreement of limited partnership/operating agreement].
- (f) **Limited partnership applicants, please add** -- Under the laws of [state of organization], no limited partner of the applicant will be deemed to participate in the control of the business of the applicant nor will any limited partner become generally liable as a general partner for the debts and liabilities of the applicant solely by reason of the existence or exercise of the rights and powers granted to the limited partners in the applicant's agreement of limited partnership, and provided that a limited partner in fact does not participate in the control of the business of the applicant, the liability of such limited partner, in its capacity and by reason of its status as a limited partner of the applicant, under the laws of the state of organization of the applicant will be limited to an amount not in excess of such limited partner's capital contribution obligation as stated in the applicant's agreement of limited partnership (plus any other amounts identified in the opinion).
- (g) The execution, delivery and performance of the applicant's [agreement of limited partnership/operating agreement] have been duly authorized and the applicant's

[agreement of limited partnership/operating agreement] has been duly executed and delivered by the/each [general partner/managing member] of the applicant.

- (h) The applicant's [agreement of limited partnership/operating agreement] constitutes a legal, valid and binding obligation of the/each [general partner/managing member] of the applicant, enforceable against the/each such [general partner/managing member] in accordance with its terms.

**2. Securities/Investment Company Act Opinions.** All applicants must also submit an opinion of counsel to the effect 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.

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

#### **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. (*An applicant must notify its license 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 (other than Delaware, in which case SBA will accept opinions on Delaware state law from counsel who are not licensed in Delaware), 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 must be submitted to the SBA for approval along with the license application and an executed copy of the opinion(s) in the form approved by SBA must be submitted before SBA can take any licensing action.

#### **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.

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**EXHIBIT S**  
**MANAGEMENT SERVICES AND OTHER AGREEMENTS**

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***INSTRUCTIONS***

Submit this Exhibit S with the initial application submission, to the extent that documents are available. You must submit this Exhibit S in final form by the date specified by SBA. These documents must be acceptable to SBA and signed before the RBIC will be licensed.

If the RBIC plans to employ an investment advisor/manager as permitted by 7 CFR 4290.510, please attach a copy of the management agreement. Also, attach any side letters or other special agreements that the RBIC has negotiated with its general partner, managing member, investment advisor/manager, limited partners, or any other entities or individuals.

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

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**EXHIBIT T  
BANK LETTER**

**INSTRUCTIONS**

**Do not submit this Exhibit T with the initial application submission.** You must submit this Exhibit T in final form by the date specified by SBA. This document must be acceptable to SBA and signed before the RBIC will be licensed.

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 7 CFR §4290.530(a) are on deposit in the account(s) of the RBIC. The funds evidenced by these letters must match the amounts in table T1. The letters must be signed by senior officers of the institution, and must be addressed to SBA and *must contain the following language* evidencing the deposit of funds to the RBIC’s account:

"This certifies that there is on deposit in the name of [RBIC] 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
<b>Total</b>		

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)	\$
<b>Total Paid-In Capital (per Exhibit M, Table M1E)</b>	<b>\$</b>

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.

<b>EXHIBIT U</b> <b>LEGAL DOCUMENT CERTIFICATION</b>
---

**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 and USDA's approval of the Applicant's license application.

**REPRESENTATION**

I hereby represent and warrant to the United States Small Business Administration ("SBA") and to the United States Department of Agriculture ("USDA") 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 RBIC APPLICANT]'s application for a Rural Business Investment Company license.

<b>List of documents</b>

Printed Name		Title/Role	
Signature		Date	



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

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If not applicable, insert "X" →

(If the box above is checked, delete everything that follows in this Exhibit, including this instruction.)

***INSTRUCTIONS***

You must submit this Exhibit U with the initial application submission.

Fully discuss all of the following issues. The discussion of the issues in this exhibit must be as complete as possible, both from a business and from a legal standpoint.

V1. At what point in the RBIC's life would you expect to go public?

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, Valuation Guidelines for SBICs issued by SBA (see [www.sba.gov/INV/valuation.pdf](http://www.sba.gov/INV/valuation.pdf)).

V3. Explain fully any anticipated transfers of funds between the RBIC 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 Discuss fully the integration of various SEC and tax laws, as well as state securities laws, regarding distributions from investment companies with USDA regulations governing distributions and returns of capital. (See 7 CFR 4290.585.)

V6. Discuss the implications for your RBIC, especially as it relates to persons making investments through an IPO, regarding the historical record that most publicly traded closed-end investment companies trade at a substantial discount to their net asset value.

**EXHIBIT W**  
**APPROVAL OF ORGANIZATIONAL & MANAGEMENT EXPENSES**

**INSTRUCTIONS**

**Do not submit this Exhibit W with the initial application submission.** You must submit this Exhibit W in final form by the date specified by SBA. These documents must be acceptable to SBA and signed before the RBIC will be licensed.

You must use Exhibit W to request the approval of expenditures for (1) organizational expenses incurred before licensing, (2) for Management Expenses during the licensing process (see §4290.520) and (3) Non-Cash Capital Contributions (see §108.230(d)) incurred after selection but before licensing as a RBIC. SBA will use this form to approve amounts you have incurred or anticipate incurring before final approval. Attach supporting schedules detailing all expenses summarized in Tables W1, W2 and W3 of this Exhibit W. Indicate the detailed expenses from the summarized Tables W1 and W2 that you will reimburse to principals of the RBIC.

**REQUEST FOR APPROVAL OF ORGANIZATIONAL EXPENSES**

W1 Organizational Expenses					
Sources (e.g., Counsel/Accountants/Consultants) Identify by Name	From Date	Through Date	Amount Accrued	Amount Paid	Amount Projected
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
Subtotals			\$	\$	\$
Requested Amount of Organizational Expenses				\$	

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

Typed Name			
Signature		Date	

SBA Name		Amount Approved	\$
Signature		Date	

**REQUEST FOR APPROVAL OF MANAGEMENT EXPENSES**

W2 Management Expenses					
Source (salaries, office expenses, travel, etc.)	From Date	Through Date	Amount Accrued	Amount Paid	Amount Projected
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
<b>Subtotals</b>			\$	\$	\$
<b>Requested Amount of Management Expenses</b>			\$		

The RBIC asks that SBA approve the requested amount of Management Expenses to be included within Regulatory and Leverageable Capital upon being licensed.

Typed Name					
Signature				Date	
SBA Name			Amount Approved	\$	
Signature				Date	

**REQUEST FOR APPROVAL OF NON-CASH CAPITAL CONTRIBUTIONS**

W3 Non-Cash Capital Contributions				
Paid By (Name)	Nature of Non-Cash Contribution	From Date	Through Date	Amount Paid
				\$
				\$
				\$
<b>Subtotal</b>				\$
<b>Requested Amount of Non-Cash Capital Contributions to be added to Regulatory Capital</b>			\$	

The RBIC asks that SBA approve the requested amount of Non-Cash Capital Contributions to be included within Regulatory and Leverageable Capital upon being licensed.

Typed Name					
Signature				Date	
SBA Name			Amount Approved	\$	
Signature				Date	



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**EXHIBIT X**  
**VISUAL REPRESENTATION OF TARGETED RURAL AREAS**

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***INSTRUCTIONS***

You must submit this Exhibit X with the initial application submission. You must use the mapping software on SBA's website at <http://www.sba.gov/INV/RBIC> to visually present the Rural Areas in which you intend to target your investing and Operational Assistance activities, as required by Question 208 of SBA Form 2241, Part I, MAQ. Multiple maps may be required to adequately identify those Rural Areas.

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**EXHIBIT Y**  
**OPERATIONAL ASSISTANCE (OA) GRANT**  
**BUDGET AND CERTIFICATIONS**

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***INSTRUCTIONS***

You must submit this Exhibit X with the initial application submission. These documents must be acceptable to SBA and signed before the RBIC will be licensed.

Standard Forms can be downloaded in PDF by clicking on the links provided below. If you don't have the free reader software, go to <http://www.adobe.com/products/acrobat/readstep.html>.

Documents you are required to complete and submit are the following:

1. SF424, Application for Federal Assistance  
[<http://www.whitehouse.gov/omb/grants/sf424.pdf>]
2. SF424A, Budget Information [<http://www.whitehouse.gov/omb/grants/sf424a.pdf>]
3. Appendix A, Supplement to SF 424A, Section F, Other Budget Information, together with a supporting narrative justification
4. SF424B, Assurances – Non-Construction Programs  
[<http://www.whitehouse.gov/omb/grants/sf424b.pdf>]
5. Appendix B, Supplement to SF 424B, SBA Assurances and Certifications

**Appendix A  
Supplement to SF 424A, Section F  
Other Budget Information**

**INSTRUCTIONS FOR PERSONAL SERVICES AND FRINGE BENEFITS WORKSHEET**

1. Personnel

- Enter in Column 1 the annual (12 months) salary rate for each key position referred to in the narrative, which will be filled for all or any part of the year by an incumbent working on the project. This rate may not be more than that paid by the grantee to other employees in comparable positions or, if the grantee has no comparable positions, the rate may not be more than that paid for such services elsewhere in the community.
- Enter in column 2 the number of months the position will be filled by an incumbent working on the project.
- Enter in Column 3 the percent of time or effort the incumbent will devote to the project during the number of months shown in Column 2.
- Enter in Column 4 the total amount required, as computed from the information shown in Columns 1 through 3. Use the following formula:

$$\text{Annual Salary} \times \frac{\text{No. of Months}}{12 \text{ Months}} \times \text{Percent of Time} = \text{Total Amount Required}$$

Personal Services and Fringe Benefits Worksheet Examples				
Personnel (Name/Position)	(1)	(2)	(3)	(4)
	Annual Salary Rate	Number of Months	Percent of Time	Total Amount Required
Jane Doe - Fulltime Employee of Institution working 60% time on project.	\$24K	12	60%	\$14.4K
<i>Calculation</i>	\$24K	$\frac{12}{12}$	X 60%	= \$14.4K
John Doe - Summer Employee (3 months to be paid \$1K per month) working 25% time on project.	\$12K	3	25%	\$750
<i>Calculation</i>	\$12K	$\frac{3}{12}$	X 25%	= \$750

2. Fringe Benefits

Enter in the parenthesis the fringe benefit rate applicable to employees of the institutions. In Column 4, enter the amount determined by applying the rate to the total of the salaries in Column 4 to which the rate applies.

3. Option for Salary Detail Submission

Institutions may require that the salary rates and amounts requested for individuals not be made available to SBA reviewing consultants. To do so, an additional copy of this page must also be submitted, complete in all respects, except that Columns 1 and 4 may be left blank.

**Supplement to SF 424A, Section F**

Personal Services and Fringe Benefits Worksheet				
Personnel (Name/Position)	(1)	(2)	(3)	(4)
	Annual Salary Rate	Number of Months	Percent of Time	Total Amount Required
<b>Total</b>				<b>\$</b>
<b>Fringe Benefits Rate</b>	<b>(Rate)</b>	<b>Total Fringe Benefits</b>		

\_\_\_\_\_  
(Signature) (Title) (Date)



**Supplement to SF 424A, Section F  
Detailed Budget for Project and Budget Period**

Direct Cost	Totals
Personal Services <i>(Refer to Personal Services and Fringe Benefits Worksheet)</i>	\$
Fringe Benefits <i>(Refer to Personal Services and Fringe Benefits Worksheet)</i>	\$
Consultants <i>(Refer contractual agreements to Contractual Category)</i>	\$
Travel	\$
Equipment	\$
Supplies	\$
Contractual	\$
Other	\$
Total Direct Cost	\$
Indirect Cost	<b>-0-</b>
Profit/Fees	<b>-0-</b>
Total Allowable Budget	\$

NOTE: All costs approved on this budget must meet the tests of necessity, reasonableness, allowability, and allocability in accordance with applicable cost principles applicable to this award. All costs charged to this project are subject to audit. Recipients are responsible to insure proper management and financial accountability of federal funds to preclude future costs disallowances.

All categories must be supported by narrative justification.

**Appendix B  
Supplement to SF424B**

**SBA Assurances and Certifications**

The Applicant hereby assures and certifies that he/she will comply with the regulations, policies, guidelines, and requirements including 13 C.F.R. Part 143; OMB Circulars A-73, A-87, A-88, A-89, A-102, A-110, A-122 (or any regulations which are later promulgated to supplement or replace it), and A-130, as appropriate and as they relate to the application, acceptance and use of Federal funds for this federally assisted project. Also the applicant assures and certifies with respect to the grant/cooperative agreement that:

1. It possesses legal authority to apply for the grant; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the application and to provide such additional information as may be required.
2. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal assistance and will immediately take any measures necessary to effectuate this agreement.
3. It will comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) prohibiting employment discrimination where (1) the primary purpose of a grant is to provide employment or (2) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.
4. It will comply with requirements of the provision of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs.
5. If it is a State or local governmental entity, that those of its employees whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the United States or a Federal agency will comply with the relevant provisions of the Hatch Act. See USC Sections 1501-1503.
6. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standard Act, as they apply to hospital and educational institution employees of State and local governments.
7. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for a private

- gain for themselves, or others, particularly those with whom they have family, business, or other ties.
8. It will give the grantor agency or the Comptroller General through any authorized representative the access to and the right to examine all records, books, papers, or documents related to the grant.
  9. It will comply with all requirements imposed by the Federal grantor agency concerning special requirements of law, program requirements, and other administrative requirements approved in accordance with Office of Management and Budget Circulars A-102, A-110, and A-122 (and any regulations which are later promulgated to supplement or replace it), 13 C.F.R. Part 143 as appropriate.
  10. This application does not propose any activities that would involve human beings who might be considered subjects, human material, or personal data from primary or secondary sources.
  11. This is to hereby certify that this project does not have an effect on the environment such as on the following areas: natural resources, pollution, populations, and any adverse effect through the delivery of services.
  12. This is to hereby acknowledge that the U.S. Small Business Administration has a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use any copyrighted materials and reports which shall have been developed under this grant. The recipient also, hereby agrees to notify and provide three copies of any copyrighted materials developed under this grant to the Small Business Administration.
  13. This hereby certifies that applicant possesses adequate grant management capabilities as required by OMB circulars and SBA Federal Assistance Administration Regulations and Guidelines in all of the following areas: fiscal administration, facilities management, management information, personnel, planning and budget, procurement and property management.
  14. This hereby certifies that applicant meets the standards for fund control and accountability as prescribed in 13 C.F.R. part 143 or OMB Circulars A-102, A-110, and A-122 (or any regulations which are later promulgated to supplement or replace it) as appropriate in accordance with the legal status of the applicant's organizational status and has established or can demonstrate the willingness and ability to establish procedures that will minimize the time elapsing between the transfer of funds from the Treasury and their disbursement by the grantee if advance payment procedures are used.
  15. It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration from listing by the EPA.

16. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Insurance Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires, on and after March 2, 1975, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having flood hazard.

The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

17. It will assist the Federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S. C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S. C. 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notify the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties.
18. It will comply with the requirements which provide that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to the discrimination under any activity receiving Federal financial assistance.
19. It will comply with P.L. 93-112 and P.L. 93-516 which provide that no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any activity receiving Federal financial assistance.
20. It will comply with P.L. 94-135 which provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any activity receiving Federal financial assistance.
21. Certification regarding debarment, suspension, and other responsibility matters: primary covered transactions.

**Certification Regarding Debarment, Suspension and Other  
Responsibility Matters - Primary Covered Transactions**

**INSTRUCTIONS FOR CERTIFICATION**

- a. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

- b. The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- c. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowing rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
- d. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- e. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
- f. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
- g. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

- i. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings
- j. Except for transactions authorized under paragraph "f." of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification**  
**Regarding Debarment, Suspension, and Other Responsibility Matters**  
**Primary Covered Transactions**

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - (a) are not presently debarred, suspended, proposed or for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - (b) have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
    - (d) have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default.
  - (2) Where the prospective primary participant is unable to certify to any of the statements in his certification, such prospective primary participant shall attach an explanation to this proposal.
22. Certification regarding debarment, suspension, ineligibility and voluntary exclusion: lower tier covered transactions.

**Certification  
Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion  
Lower Tier Covered Transactions**

***INSTRUCTIONS FOR CERTIFICATION***

- a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
- b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- d. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and voluntarily excluded," as used in this clause, have the meanings set out in the definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
- e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- f. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause title "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

- h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed which is normally possessed by a prudent person in the ordinary course of business dealings.
- i. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification**  
**Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion**

**Lower Tier Covered Transactions**

- (1) The prospective lower tier participant certifies, by submission of this proposal, that either it nor its principals are presently debarred, suspended, proposed of debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
  - (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
23. Certification Regarding Compliance with Section 5153 of the Drug-Free Workplace Act of 1988, Public Law 100-690, Title V, Subtitle D

By signing and submitting this proposal, the participant is providing the certification set out below.

- a. The participant hereby certifies that it will provide a drug-free workplace by:
  - (1) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;
  - (2) establishing a drug-free awareness program to inform employees about:
    - (i) the dangers of drug abuse in the workplace;
    - (ii) the grantee's policy of maintaining a drug-free workplace;
    - (iii) any available drug counseling, rehabilitation, and employee assistance program; and
    - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;



- (3)making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph (A);
- (4)notifying the employee in the statement required by subparagraph (A), that as a condition of employment in such grant, the employee will.
  - (i) abide by the terms of the statement; and
  - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;
- (5)notifying the granting agency within 10 days after receiving notice of a conviction under subparagraph (D)(ii from an employee or otherwise receiving actual notice of such conviction;
- (6)taking one of the following actions, within 30 days of receiving notice under subparagraph (D)(ii), with respect to any employee who is so convicted:
  - (i) taking appropriate personnel action against such an employee, up to and including termination; or
  - (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (7) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (A), (B), (C), (E), (F), and (G).

The grantee shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street Address, City, County, State and Zip Code)

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b. The participant hereby certify that, as a condition of this grant, he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of controlled substance in conducting any activity with such grant.

24. Certification regarding lobbying for contracts, grants, loans, and cooperative agreements:

**Certification  
Regarding Lobbying for**

**Contracts, Grants, Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his/her knowledge and belief, that.

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal, contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. (Standard Form LLL-A is "Continuation Sheet" of Standard Form LLL).
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subaward of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 3 1, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The participant also certifies that the information in these assurances and certifications in support of this proposal is correct to the best of his/her knowledge and belief and the filing of this application has been duly authorized.

\_\_\_\_\_  
Legal Name of Participant

\_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
Print Name and Title of Authorized Representative

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Signature of Authorized Representative

Date signed