SBA Form xxx
Capital Certificate
OMB Approval No. xxxx-xxxx
Expiration Date mm/dd/yyyy

General Instructions

a. As used in the Capital Certificate, "*Applicant*" means the applicant for a license as an SBIC or ar

b. For limited partnerships, the Capital Certificate must be signed by the general partner. If the ge managing member of the general partner must sign the Capital Certificate. If the general partner is it signed by its general partner or the manager or managing member of that general partner.

c. For limited liability companies, the Capital Certificate must be signed by an authorized managin

d. For corporations, the Capital Certificate must be signed by the authorized senior executive offic or Treasurer.

e. Applicants that are "*drop-down funds*", i.e., funded by one or more parent venture funds, shoul completing this Capital Certificate.

Instructions during the License Application Process

You must submit a signed Capital Certificate with your license application showing that (1) the minimu have sufficient Regulatory Capital to carry out your business plan.

Instructions after the Applicant has been Licensed

A current signed Capital Certificate must be on file with SBA at the time you apply for an SBA Leverag

n existing SBIC licensee, as applicable.

eneral partner is an entity general partner, a manager or
tself a limited partnership, then the Capital Certificate must be

ıg member, manager or officer.

:er, the Chairman, President, CEO, CFO, COO, Vice President,

d refer to the Addendum B for further instructions on

um Regulatory Capital requirement has been met and (2) you

ıe commitment and at the time that you apply to draw down Leverage.

Representations and Warranties

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

1. " All Investors" tab. This tab in the workbook states:

   a. the name and mailing address of each investor of Applicant (including the Applicant’s general partner(s) for limited partnerships, but excluding the SBA, its agents, trustees or representatives);

   b. the amount of each investor’s total capital commitment to Applicant (“Capital Commitment”);

   c. the amount of each investor’s Capital Commitment which has been paid to Applicant in cash (“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. The "All Investor" tab further specifies:

   a. whether each investor is an Entity Institutional Investor, an Individual Institutional Investor or a Non-Institutional Investor;

   b. for each investor designated as an Entity or Individual Institutional Investor, the subsection of the definition of Institutional Investor in 13 CFR §107.50 under which such investor qualifies as an Institutional Investor; and

   c. for each investor designated as an Entity Institutional Investor, the type of entity.

3. 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 13 CFR §107.50).

   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 (iii) if its Unfunded Commitment exceeds 10%, SBA has approved an unconditional, irrevocable letter of credit to be issued by a state or national bank in favor of Applicant or guarantee agreement for the term of the commitmen , in an amount not less than such investor’s Unfunded Commitment, a signed copy of which letter of credit or guarantee agreement has been supplied to SBA, and the required information concerning such letter of credit or agreement is listed in the "All Investor" tab.

   c. its Capital Commitment constitutes Private Capital (as defined in 13 CFR §107.230), and except for investors indicated on the "All Investors" tab, no other part of such Capital Commitment constitutes Qualified Nonprivate Funds (as defined in 13 CFR §107.230(d));

   d. 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 the "Non-US Investor" tab as such investor’s agent for service of process;

   e. 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 the "Non-US Investor"tab as such investor’s agent for service of process

4. Individual Institutional Investors. For each investor on the "All Investors" tab listed as an Individual Institutional Investor pursuant to subsection 2(i)(A) of the definition of Individual 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 correctly listed on the "All Investors" tab.

5. Diversification Investors. Each investor listed on the "All Investors" tab whose name is followed by "Y" in the column headed "Diversifying Investor" represents an investor which satisfies the Management and Ownership Diversification requirement (13 CFR §107.150(b)).

6. Qualified Non-private Funds. Applicant's "Qualified Non-private Funds" (as defined in 13 CFR §107.230(d)) are affirmatively indicated with a "Y" on the "All Investors" tab.

7. Associate Investors. The "Associates" tab shows all of Applicant's investors that are Associates of Applicant (as defined in 13 CFR §107.50), and the "Affiliates" tab shows persons who are investors and who may be affiliates of one another.

8. Guarantees. For each investor listed in as Institutional Investor only 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). See Addendum A 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, (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 Regulatory Capital. Applicant certifies the "Regulatory Capital Changes" tab reflects all changes in its Regulatory Capital since the date on which Applicant filed with SBA its application for an SBIC license.

12. Management Fees. Applicant certifies the date on the "All Investors", if applicable, indicates the date it began drawing a management fee based upon an assumed use of Leverage greater than Combined Capital for purposes of establishing the five year period that management fees may be computed based on Assumed Leverage.

13. 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.

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

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

Name of Applicant or SBIC:
License Number (if licensed):
Signed by (First Name Last Name):
Title [5]:
Authorized Signatory of the General Partner of SBIC
Signature:
Date Signed:

[1] Refer to Addendum A for information and instructions on the use of dual commitments.

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

[3] 13 CFR §107.50 contains a definition of "Institutional Investor".

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

[5] 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 the Applicant.

SBA Form xxx

Capital Certificate

OMB Approval No. xxxx-xxxx

Expiration Date mm/dd/yyyy

All Investors - SBIC Capital Certificate Exhibit M

As of Date: MM/DD/YYYY

Name of Applicant: ABC SBIC, L.P.

Name of Licensee:	License Number
ABC SBIC, L.P.	12/34-5678

Certificate as of Date	MM/DD/YYYY
Leverageable Capital	
Regulatory Capital	
Management Fee	
Overline Limit	

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

Investor Entity or Individual Name	EIN Number (Entity Investor Only)	Drop-down Funds Investor Type (ONLY fill for Drop-down Funds)	Investor Type
			Other Entity Net Worth <$1

[1] Individual Investors must list their primary residence. Entity investors must list their business address. P.O

MM/DD/YYYY

Investor Classification					
Investor Category	Investor Segment	Diversifying Investor?	≥10% Investor	≥10% Ownership of the GP or Management Company	Qualified Non-Private Fund (QNPF)?
10M	Financial Services Entity				

O. boxes are not acceptable addresses.

Special categories				Main Point of Contact			
Affiliate?	Associate?	Non-US Investor?	Description of Relationship	First Name	Last Name	Email	Phone Number

Investor Mailing Address [1]					Commitment		
Street	City	State	Zip	Country	Date of Commitment	Commitment Amount	Paid-in (Called Capital) Amount

Unfunded Commitment	Commitment amount not included in Private Capital ($)	Guaranteed Commitment?	Guarantor Name	Approved Guarantee Form Executed?

Letter of Credit			
Approved Letter of Credit?	Amount of Letter of Credit	Issuing Institution	Letter of Credit Expiration Date

Non-US Investors - SBIC Capital Certificate

As of Date: MM/DD/YYYY

Investors Who Are Not Permanent Residents of the United States[1]

Name of Applicant: ABC SBIC, L.P.

Investor Entity or Individual Name	Country	Agent Name	EIN

[1] For individuals, permanent residents of the United States means a lawful permanent resident of the
immigration laws. For entities, permanent resident of the United States means an entity qualified to do
a place of business in one or more states of the United States, the District of Columbia or U.S. Territorie

U.S. Agent Information				
Street Address	City	State	Zip Code	Phone Number

United States under the
business and maintaining
es.

Associates of Investors (Limited Partners) - SBIC Capital Certificate

As of Date: MM/DD/YYYY

Associates of Investors in the Applicant/Licensee

Name of Applicant: ABC SBIC, L.P.

Investor Entity or Individual Name	Relationship to Applicant/Licensee	Applicable Subsection of Definition of Associate

As of Date	Description of Relationship

Significant Owner Associates - SBIC Capital Certificate

As of Date: MM/DD/YYYY

Associates of High Percentage Owners of the General Partner or Management Company of the Ap

Name of Applicant: ABC SBIC, L.P.

Owner/Investor Entity or Individual Name	Associate of Owner Entity or Individual Name	Associate Investor Entity or Individual Tax ID

[1] List the percentage the Associate Entity or Individual owns of the entity listed in columr

[2] If the entity or individual in column "B" is also an investor in the applicant/licensee, list

plicant/Licensee

Associate's Percetage (%) Ownership in the Applicant/Licensee Entity Owner[1]	Owner Entity or Individual's Investor Percentage (%) in the SBIC Licensee[2]	Description of Relationship

n "B".
the percentage of total investor capital the Owner Entity or Individual listed in column "B" represents.

Affiliates of Investors (Limited Partners) - SBIC Capital Certificate

As of Date: MM/DD/YYYY

Affiliates of Investors in the Applicant/Licensee

Name of Applicant: ABC SBIC, L.P.

Investor Entity or Individual Name	Affiliated Investor Entity or Individual Name	Affiliated Investor Entity or Individual Tax ID

Description of Relationship

Changes in Regulatory Capital - SBIC Capital Certificate

As of Date: MM/DD/YYYY

Name of Applicant: ABC SBIC, L.P.

Date of Change	Beginning Regulatory Capital	Amount of Increase	Amount of Decrease Pursuant to 13 CFR §107.585
MM/DD/YYYY	$ -		$ -
	$ -		$ -
	$ -		$ -
	$ -		$ -
	$ -		$ -
	$ -		$ -
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	$ -		$ -

[1] § 107.585 Voluntary decrease in Licensee's Regulatory Capital
You must obtain SBA's prior written approval to reduce your Regulatory Capital by more than
you must retain sufficient Regulatory Capital to meet the minimum capital requirements in th
section 303 of the Act and §§ 107.1150 through 107.1170.

[2] Non-leveraged Licensees
Non-leveraged Licensees are not required to obtain SBA's prior written approval to reduce Re
report any such reductions within 30 days and must at all times comply with the minimum ca

Amount of Decrease Pursuant to 13 CFR §107.1570(b)	Amount of Other Decreases	Ending Regulatory Capital	Reason for Increase/Decrease
$ -	$ -	$ -	
$ -	$ -	$ -	
$ -	$ -	$ -	
$ -	$ -	$ -	
$ -	$ -	$ -	
$ -	$ -	$ -	
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ı two percent in any fiscal year, unless otherwise permitted under §§ 107.1560 and 107.1570. At all times,
ıe Act and § 107.210, and sufficient Leverageable Capital to avoid having excess Leverage in violation of

egulatory Capital by more than two percent in any fiscal year. However, non-leveraged Licensees must
ıpital requirements set forth under 13 CFR § 107.210.

Addendum A: Commitment Guarantees

NOTES ON THE USE OF COMMITMENTS GUARANTEES

In certain limited situations, SBA will allow an Applicant to use a guarantee 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 below.

Guarantees for IRAs, Keoghs, Individual Investor Account, Family Trusts and Family Investment Partnerships

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

How Does it Work. The IRA, Keogh, individual investor account, family trust or family investment partnership obtains a guarantee from an Institutional Investor (which could be a letter of credit from a state or national bank or a guarantee agreement) 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 SBA approved Guarantee form approved by SBA (see Addendum C) and the guarantee must be executed and a copy submitted to SBA before the licensing approval process can be finalized. SBA regulations limit the size of an unfunded commitment that can be guaranteed by an Institutional Investor with net worth of less than $10 million (see 13 CFR §107.230(b)(4) and paragraph (2)(i)(B) of the Institutional Investor definition).
How is this Reflected on the Capital Certificate. The Investor should mark the "All Investors" tab, including the following prompts: "Guaranteed Commitment?; Guarantor Name; and Approved Guarantee Form Executed."

Applicants and their counsel should note that the guarantee approach does not automatically qualify Unfunded Commitments from investors that do not qualify as Institutional Investors as part of Regulatory Capital, and in every instance, a guarantee is subject to SBA’s approval.

Addendum B: Drop-Down Fund Instructions

CAPITAL CERTIFICATE PRESENTATION FOR DROP-DOWN FUNDS

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

1. SBA requires each parent fund to be a primary investor in the Applicant (“Class A investor”) and each parent fund’s investors to become stand-by investors (“Class B investors”) in the Applicant, except as noted below in item 3.

2. The names and addresses of all the Applicant’s Class B investors, along with their respective capital commitments, paid-in capital and unfunded commitments (all three amounts that would flow from the Parent Level to the Applicant Level), must be listed in the "All Investors" tab as appropriate. The amount in the “Paid-in Capital” column will increase as either the Class A investor contributes capital to the Applicant or the Class B investor contributes capital directly to the Applicant, thereby reducing the amount in the “Unfunded Commitment” column.

3. A Class A investor (the "Parent Fund") may or may not be an "Institutional Investor". Any Class A investor that does not meet the definition of "Institutional Investor" in § 107.50 and does not meet the requiresments of § 107.230(b)(4) should select "Entity Non-Institutional" under 'Investor Segment' on the "All Investors" tab. The amounts in the “Capital Commitment”, “Paid-in Capital”, and “Unfunded Commitment” columns for the Class A Investor should all be shown in brackets to offset the dollar amounts from the related Class B Investors.
If the Class A Investor meets the definition and requirements of an "Institutional Investor" and the requirements of § 107.230, the Parent Fund should be listed as an "Entity Institutional Investor", its commitment should not be bracketed, and no Class B investors will be listed on the Capital Certificate. This same presentation applies if theParent Fund is a publicly traded Business Development Company (BDC).

4. The capital commitments made by the Applicant’s Class B investors at the parent fund level should be shown on the Capital Certificate.

Addendum C: Definitions for Reference Only

Please note that this addendum is for convenience only. It does not constitute a part of the capital certificate contract. In the event that there are discrepancies between definitions of terms in the capital certificate and this page, the definitions within the capital certificate prevail.

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

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

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

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

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

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

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

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

OVERLINE LIMIT is a calculation derived according to the methodology set forth in the Small Business Investment Act of 1958 and 13 CFR §107.740

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

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

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

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