

SBA CAPITAL CERTIFICATE

Version 1.4

CERTIFICATE OF LEVERAGEABLE CAPITAL AND REGULATORY CAPITAL

This document has been drafted by the law firm of Pepper, Hamilton & Scheetz, in collaboration with the law firms of Foley, Hoag & Eliot and O'Sullivan Graev & Karabell, the National Association of Small Business Investment Companies, and the Office of the General Counsel of the United States Small Business Administration.

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CAPITAL CERTIFICATE

NAME OF APPLICANT: _____

APPLICANT'S "LEVERAGEABLE CAPITAL" \$ _____

APPLICANT'S "REGULATORY CAPITAL" \$ _____

DATE OF THIS CERTIFICATE: _____

THE APPLICANT HEREBY REPRESENTS AND WARRANTS TO AND COVENANTS AND AGREES WITH THE U.S. SMALL BUSINESS ADMINISTRATION ("SBA") AS FOLLOWS:

1. The table attached hereto as Exhibit A (the "Table") states the name of each general and limited partner of Applicant (other than SBA or its agent, trustee or representative), states the amount of such partner's total capital commitment to Applicant (the "Capital Contribution"), the amount of each partner's Capital Contribution which has been paid to Applicant ("Paid-In Capital"), and the unfunded balance of each partner's Capital Contribution ("Unfunded Commitment"). The Table specifies whether each partner is an "Entity Institutional Investor" as defined under Section (1) of the definition of Institutional Investor set forth in 13 CFR 107.50 (the "Definition"), a person who is an Institutional Investor as defined in Section (2) of the Definition, or is not claimed by Applicant to be an Institutional Investor. The Table sets forth the number of the subsection of Section (1) or (2) of the Definition and in the case of entities, the type of entity, pursuant to which Applicant believes such partner qualifies as an Institutional Investor.

2. Applicant has obtained the representation, warranty and agreement from each partner listed in the Table as being an Institutional Investor that with respect to such partner:

(a) Such partner is the kind of entity or person described in the subsection of the Definition set opposite such partner's name in the Table.

(b) The Unfunded Commitment specified in the Table for such partner does not exceed ten percent (10%) of such partner's net worth if such partner has a net worth of less than \$10 million or such partner is listed on Exhibit D and Applicant has obtained a Letter of Credit as defined in Section 3 of this Certificate; it being understood that in the case of entities described in subsections (1)(v) or (vi) of the Definition, references to "net worth" mean "net assets available for benefits."

(c) So long as any portion of his (its) Unfunded Commitment has not been paid, such partner will give Applicant prompt notice of any change in such partner's financial condition or status that causes the information in the Table concerning such partner or in Section 2(b) to be incorrect.

(d) The Capital Contribution specified in the Table for such partner constitutes Private Capital (as defined in 13 CFR §107.50), and that except as specified on Exhibit B, no part of such Capital Contribution constitutes Qualified Nonprivate Funds (as defined in 13 CFR §107.50).

(e) Except for those partners listed on Exhibit C, each such partner who is an individual is a permanent resident of the United States. Except as otherwise stated on Exhibit C, each partner listed on Exhibit C has filed with Applicant a written certificate or other agreement irrevocably appointing the person specified on Exhibit C as such partner's agent for service of process.

(f) The Capital Contribution in Applicant of each partner owning or controlling, directly or indirectly, 10% or more but less than 33% of Applicant's capital, does not exceed 5% of such limited partner's net worth except as otherwise specified in the Table.

3. Qualified Nonprivate Funds whose source is state or local government funds do not exceed 33% of Applicant's Regulatory Capital.

4. Each partner listed in the Table as being an Institutional Investor by reason of subsection (2)(i)(A) of the Definition is listed on Exhibit D and for each such partner and for partners listed on Exhibit D by reason of Section 2(b) of this Certificate, Applicant has obtained, has and will keep in its possession, and in the event of default in payment of an Unfunded Commitment by such partner will exercise, an unconditional irrevocable letter of credit in favor of Applicant ("Letter of Credit") in an amount not less than such Unfunded Commitment issued by an Institutional Investor as provided in subsection (2)(i)(A) of the Definition or by 13 CFR §107.230(b)(4). A copy of each such Letter of Credit is attached to this certificate with Exhibit D. Applicant has no knowledge that any such Letter of Credit will not be renewed except as specified on Exhibit D. If any such Letter of Credit expires or ceases to be in effect, Applicant will give SBA prompt notice of such event, and if such Letter of Credit is renewed or replaced, promptly shall give SBA a copy of the Letter of Credit or other document renewing or replacing such Letter of Credit.

5. Pursuant to its partnership agreement, Applicant has obtained the written agreement ("Partner's Payment Covenant") of each partner identified in the Table as being an Institutional Investor to pay the Unfunded Commitment to Applicant subject only to those conditions excusing performance by the partner specified in SBA Annex PS or SBA Annex GDP (whichever is applicable) which is a part of Applicant's limited partnership agreement, and those additional conditions, if any, specified on Exhibit E. Each such partner has represented to Applicant that such Partner's Payment Covenant has been duly authorized by all necessary actions of the partner and is the valid, binding and enforceable obligation of such partner (except as enforcement may be subject to the application of federal or state bankruptcy, insolvency, reorganization or moratorium laws or other laws affecting the rights of creditors generally).

6. Without the prior written approval of SBA, Applicant shall not release, amend, extend, compromise, cancel, forgive or otherwise waive any Partner's Payment Covenant or the right of Applicant to receive payment when due of any Partner's Unfunded Commitment other than as provided in SBA Annex PS or SBA Annex GDP (whichever is applicable).

7. To the best of Applicant's knowledge and belief, the information contained in the Table is true and correct and each Partner's Payment Covenant is the valid, binding and enforceable obligation of such partner (except as enforcement may be subject to federal or state bankruptcy, insolvency, reorganization or moratorium laws or laws affecting the rights of creditors generally).

8. Applicant has "pre-investments" (investments made prior to licensing) in the Portfolio Concerns and in the amounts (stated at their cost) set forth on Exhibit F ("Pre-Investments"). To the best of Applicant's knowledge and belief, all such Pre-Investments are in eligible Small Concerns meeting the criteria set forth in 13 CFR Parts 107 and 121. SBA's Forms 1031 (Portfolio Financing Report), 480 (Size Status Declaration) and 652 (Assurance of Compliance for Nondiscrimination), if not previously submitted, are attached to Exhibit F for each such Portfolio Concern.

9. Based on the information set forth in the Table, Applicant certifies to SBA that Applicant's Leverageable Capital and Regulatory Capital, each as defined in 13 CFR §107.50, are the respective amounts set forth on the first page of this Certificate.

10. Applicant shall give SBA prompt notice if Applicant learns that any information contained in this certificate is incorrect in any material respect or if any partner fails to pay any required payment of such Partner's Unfunded Commitment within any applicable grace period.

11. Applicant acknowledges that this certificate is to be considered material for the purpose of inducing SBA to issue a license as a Small Business Investment Company to Applicant and to disburse SBA funds in reliance upon Applicant's statements. Applicant acknowledges that any intentionally false statement or willful misrepresentation contained in this certificate is a violation of federal law subject to criminal and civil prosecution under 18 USC §§287, 371, 1001, 1006; 15 USC §645; and 31 USC §3729.

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

(Name of Applicant)

By: _____

Printed Name: _____

Its: _____
(Title)

EXHIBIT A

ENTITY INSTITUTIONAL INVESTORS

<u>Name and Address</u>	<u>Qualifying Subsection of Section (1) and Type of Entity</u>	<u>Capital Contribution</u>	<u>Paid-In Capital</u>	<u>Unfunded Commitment</u>
TOTAL		_____	_____	_____

INDIVIDUAL INSTITUTIONAL INVESTORS

<u>Name and Address</u>	<u>Qualifying Subsection of Section (2)</u>	<u>Capital Contribution</u>	<u>Paid-In Capital</u>	<u>Unfunded Commitment</u>
TOTAL		_____	_____	_____

OTHER PARTNERS

<u>Name and Address</u>		<u>Capital Contribution</u>	<u>Paid-In Capital</u>	<u>Unfunded Commitment</u>
TOTAL		_____	_____	_____

**AGGREGATE
PARTNERSHIP TOTALS**

(a)	All Institutional Investors		_____	_____
(b)	All Partners		_____	_____
PARTNERSHIP TOTAL				_____

EXHIBIT B

QUALIFIED NONPRIVATE FUNDS

<u>Name of Partner</u>	<u>Capital Contribution</u>	<u>Amount of Capital Contribution Which Is Qualified Nonprivate Funds</u>	<u>Qualified Nonprivate Funds Whose Source Is Federal Funds</u>	<u>Qualified Nonprivate Funds Whose Source is State or Local Govt Funds</u>
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EXHIBIT C

**INDIVIDUALS WHO ARE NOT
PERMANENT RESIDENTS OF UNITED STATES**

Name and Address of
Non Resident Partner

Name and Address of U.S.
Agent for Service of Process

EXHIBIT D

LETTERS OF CREDIT

<u>Name of Partner</u>	<u>Unfunded Commitment</u>	<u>Amount of Letter of Credit</u>	<u>Issuing Institution</u>	<u>Expiration Date</u>
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(Attach Copies of Letters of Credit)

EXHIBIT E

**CONDITIONS TO EXERCISE OF RIGHT
TO RECEIVE UNFUNDED COMMITMENTS**

EXHIBIT F
PRE-INVESTMENTS

<u>Name of Portfolio Concern</u>	<u>Date of Investment</u>	<u>Number of Shares</u>	<u>Cost of Investment</u>
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Total	\$ _____
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