

**Office of Investment
Investment Division
Small Business Administration**

***Model Opinion of Independent Counsel
for Draw of Early Stage Discount Debenture against Early Stage
Debenture Commitment***

Attached is a model of an Opinion of Counsel which includes the elements considered to be essential for SBA's acceptance. The Opinion must be furnished by independent counsel under counsel's or firm's letterhead. For the purpose of this Opinion, independent counsel means counsel with no direct or indirect affiliation with the SBIC.

**(MODEL OPINION OF INDEPENDENT COUNSEL)
LETTERHEAD**

(Date)

Small Business Administration
409 Third Street, S.W.
Washington, D.C. 20416

Dear Sir/Madam:

In connection with the application of ("Licensee") to you for the guaranty of its Early Stage Debenture(s), and the sale of such Debentures(s) (collectively, the "Transaction"), I have reviewed:

The form of the original executed debentures(s) (SBA Form ____), which has not been completed except for the signature block;

Such provisions as I deemed necessary of (a) the Limited Partnership Law [and Limited Liability Company Law] of the State of [____]; (b) the Articles of Limited Partnership of Licensee and [____] of the General Partner of Licensee; (c) the Small Business Investment Act of 1958, as amended, and the regulations issued thereunder; (d) a certified copy of the Resolution of the General Partner of Licensee dated [____,] authorizing the issuance of the Debenture(s) and related action.

Based on such review, I am of the opinion that:

(1) Licensee is a limited partnership duly organized and validly existing under the laws of the State of [____] and the General Partner of Licensee is duly organized and validly existing under the laws of the State of [____];

(2) the Debenture(s), when properly completed and when the net proceeds of such Debenture(s) has been advanced to Licensee or its assigns, will be a valid and

binding obligation of Licensee enforceable in accordance with its terms, except as limited by any subordination provision applicable to such Debentures(s) and by bankruptcy and similar laws affecting creditors generally; and

(3) SBIC Funding Corporation has been duly authorized by the Licensee to act as its agent to sell the Debenture(s) at such price, on such date, at such interest rate or yield to maturity, and on such terms and conditions as may be deemed proper and as approved by you.

This opinion may be relied upon by your counsel with respect to all or any part of the Transaction.

Very truly yours,