

INSTRUCTIONS FOR EXHIBIT M SBIC CAPITAL CERTIFICATE

GENERAL INSTRUCTIONS

Please delete this page of instructions prior to filing.

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

INSTRUCTIONS DURING LICENSE APPLICATION PROCESS

You may submit a pro forma Capital Certificate with your license application if it is accompanied by signed subscription agreements or commitments in a form acceptable to SBA showing that the minimum Regulatory Capital requirement has been met. You must submit a signed Capital Certificate that meets the minimum Regulatory and Leverageable Capital requirements before the application is presented to the Agency SBIC licensing committee.

INSTRUCTIONS AFTER APPLICANT HAS BEEN LICENSED

A current signed Capital Certificate must be on file with SBA at the time you apply for an SBA Leverage commitment (whether in the form of Participating Securities or Debentures) and at the time that you apply to draw down Leverage.

EXHIBIT M
SBIC CAPITAL CERTIFICATE

SBIC Name	
Date of this Certificate	
Applicant's Leverageable Capital ¹	
Applicant's Regulatory Capital ²	
Applicant's Regulatory Capital Adjusted to Determine Management Fee ³	
Applicant's Regulatory Capital Adjusted to Determine Overline Limit ⁴	

DECLARATION

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

1. **Investors**⁵. The attached Tables M1A, M1B, M1C and M1D state:
 - a. the name and address of each investor of Applicant (including the Applicant's general partner(s) for limited partnerships, but excluding the SBA, its agents, trustees or representatives);
 - b. the amount of each investor's total capital commitment to Applicant ("*Capital Commitment*");
 - c. the amount of each investor's Capital Commitment which has been paid to Applicant in cash⁶ ("*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 Investor⁷;
 - 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.

¹ 13 CFR §107.50 contains the definition of "Leverageable Capital".

² 13 CFR §107.50 contains the definition of "Regulatory Capital".

³ SBIC Tech Notes Number 7 (December 2000) and 7A (December 2003) provide for management fees during an SBIC's initial investment period based on Regulatory Capital that is "unreduced" by certain permitted distributions. Refer to the applicable Tech Note for details.

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

⁵ Refer to *Addendum to Exhibit M* for information and instructions on the use of dual commitments.

⁶ Non-cash contributions will not be accepted without the prior written approval of the SBA.

⁷ 13 CFR §107.50 contains a definition of "Institutional Investor".

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

- c. it meets the criteria for qualifying as an Institutional Investor under that subsection of the definition of Institutional Investor (see 13 CFR §107.50) designated in Tables M1A, M1B and M1D; *See Addendum A to Exhibit M for information on the use of dual commitments.*
- d. if such investor has a net worth of less than \$10 million, (i) its Unfunded Commitment does not exceed ten percent (10%) of its net worth or (ii) if its Unfunded Commitment exceeds 10%, SBA has approved an unconditional, irrevocable letter of credit for the term of the commitment to be issued by a state or national bank in favor of Applicant, in an amount not less than such investor's Unfunded Commitment, a signed copy of which letter of credit has been supplied to SBA, and the required information concerning such letter of credit is listed in Table M3;⁸
- e. until all of its Capital Commitment has been paid, such investor will notify Applicant promptly of any change that causes the information in Tables M1A through M1I or in this Section 3 concerning such investor to be incorrect;
- f. its Capital Commitment constitutes Private Capital (as defined in 13 CFR §107.230), and except as specified in Table M1H, no part of such Capital Commitment constitutes Qualified Nonprivate Funds (as defined in 13 CFR §107.230(d)); and
- g. if the investor is an individual, such investor is a permanent resident of the United States or has, in writing, irrevocably appointed the person or entity specified on Table M2 as such investor's agent for service of process, or
- h. if the investor is an entity, such investor is qualified to do business and maintains a place of business in one or more states of the United States, the District of Columbia or U.S. possessions or has in writing, irrevocably appointed the person or entity specified on Table M2 as such investor's agent for service of process.

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

5. Diversity Investors. Each investor whose name is followed by "Y" in the column headed "*Diversity Investor*" in Tables M1A, M1B, M1C and M1D qualifies as a diversity investor for purposes of the Management and Ownership Diversity requirement (13 CFR §107.150(b))⁹. Table M1F lists the amount and percentage of Applicant's Regulatory

⁸ 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.

⁹ If you are unsure or otherwise do not wish to certify that an investor is a "diversity investor", place an "N/A" in the column headed "*Diversity Investor*". See 13 CFR §107.150(b).

Capital and Leverageable Capital, respectively, that consists of the capital committed and/or contributed by such diversity investors.

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

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

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

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

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

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

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

13. Management Fees. Applicant certifies that Table M1L indicates the date, if any, it began drawing a management fee based upon an assumed use of Leverage greater than Combined Capital for purposes of establishing the five year period that management fees may be computed based on assumed Leverage (If the management fee is not computed on the basis of assumed Leverage use, insert N/A in Table M1L.) (See SBIC Tech Note No. 7, December 2000, or 7A, December 2003.)

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

15. Criminal Prosecution. Applicant acknowledges that any intentionally false statement or willful misrepresentation contained in this certificate is a violation of Federal law and is subject to criminal prosecution and civil penalties under 18 USC §§287, 371, 1001, and 1006; 15 USC §645; and 31 USC §3729.

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>) ¹⁰ :	
Signature:	

¹⁰ 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 ¹¹			“X” if this is a Drop-Down Fund →		
Name & Address ¹²	Type of Entity & Qualifying Subsection	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N/A)
Totals					

Table M1B – Individual Institutional Investors			“X” if this is a Drop-Down Fund →		
Name & Address ¹³	Qualifying Subsection	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y / N/A)
Totals					

¹¹ 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.

¹² Entity investors must list their business addresses. P.O. boxes are not acceptable addresses.

¹³ Individual investors must list their primary residence. P.O. boxes are not acceptable addresses.

Table M1C – Other Investors ¹⁴			“X” if this is a Drop-Down Fund →			
Name & Address ¹⁵	Type (e.g., individual, LLC)	Paid-In Capital	Unfunded Commitment	Capital Commitment	Diversity Investor (Y/N/A)	Enter “X” if Parent Fund
Totals						

Table M1D – Dual Commitments ¹⁶		“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)					
TOTALS [Add only amounts that are <u>not</u> in brackets]					

Table M1E – Aggregate Investor Totals

¹⁴ Any Investor that does not meet the criteria for an Institutional Investor (see 13 CFR §107.50) is considered an Other Investor for purposes of this Capital Certificate.

¹⁵ Individuals must list their primary residence and entity investors must list their business address. P.O. boxes are not acceptable addresses.

¹⁶ 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.

USE OF TABLE M1K

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

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

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

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

Table M1K – 10% Investors		
Level 1 – SBIC 10% Investors	Level 2 – Owners of SBIC 10% Investors	Level 3 – Indirect Equity Holder - % of Level 2 / % of SBIC
Bermuda Triangle Holdings 40%	High & Wide Investments 50%	Fred Jones 50%
	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 M1L –Management Fees	
Date on which Applicant began drawing Management Fee based upon assumed use of Leverage (if not applicable, insert N/A)	

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

ADDENDUM A TO EXHIBIT M GUARANTEES AND DUAL COMMITMENTS

NOTES ON THE USE OF GUARANTEES AND DUAL COMMITMENTS

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

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

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

How Does it Work. The IRA, Keogh, family trust or family investment partnership obtains a guarantee from an Institutional Investor for the full amount of its Unfunded Commitment. For example, for IRAs and Keoghs, if the individual who created the retirement account qualifies as an Institutional Investor, that individual can guarantee the full amount of the Unfunded Commitment of the IRA or Keogh to the Applicant. If the amount of the Unfunded Commitment is to be included in Regulatory Capital, the guarantee must be in the form approved by SBA (see the SBA web site for the form that must be used) 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 13 CFR §107.50 under which the guarantor qualifies as an Institutional Investor.

II. Dual Commitments

How Does it Work. The “dual commitment” arrangement works by having one or more Institutional Investors (“back-up investor”) make a Capital Commitment to the Applicant identical to that made by the non-Institutional Investor (“primary investor”). When a capital call is made, the back-up investor is excused from funding its Unfunded Commitment to the extent the primary investor funds its own Unfunded Commitment on a timely basis. *Both the primary investor and the back-up investor are limited partners or members, as applicable, and must sign the Applicant’s limited partnership agreement or operating agreement as limited partners or members, as applicable.* In addition, both the primary investor and the back-up investor must be listed as investors in Table M1D

of the Capital Certificate and in the schedule of partners attached to the limited partnership agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDENDUM C TO EXHIBIT M
SAMPLE ACCEPTABLE COMMITMENT LETTERS

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

ENTITY (including trusts) form of commitment letter

[Name and Address of Fund]

[Date]

Dear Mr. _____:

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

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

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

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

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

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

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

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

Very truly yours,

High net worth individuals form of commitment letter

[Name and Address of Fund]

[Date]

Dear Mr. _____:

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

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

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

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

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

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

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

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

Very truly yours,