



VIPC | VIRGINIA INNOVATION
PARTNERSHIP CORPORATION

Connecting Innovators with Opportunity

VVP Fund of Funds Supplemental Materials

*Powered by Virginia's State Small Business Credit Initiative (SSBCI)
Venture Capital Program*

June 23, 2023

<https://www.virginiaipc.org/vvp-request-for-proposal>

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Section 1 – Definitions

The following acronyms and definitions are used and made a part of this RFP.

“**ARPA**” means American Rescue Plan Act of 2021.

“**BIPOC**” means Black, Indigenous, People of Color.

“**CDFI**” means Community Development Financial Institutions.

“**COI**” means Conflict of Interest.

“**Commonwealth**” means Commonwealth of Virginia.

“**Capital Allocation**” means the full definition given below.

“**Capital Program Policy Guidelines**” means CPPG specifically SSBCI Capital Program Policy Guidelines at: <https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf> (also “**CPPG**”).

“**DEI**” means Diversity, Equity, and Inclusion.

“**DPI**” means Distributed to Paid In.

“**Fund**” or “**Funds**” means Venture Capital Funds. For purposes of the SSBCI Program, a venture capital fund is an entity that meets the venture capital fund definition in [17 C.F.R. § 275.203\(l\)-1](#).¹

“**Fund Manager**” may be a manager of any private venture capital fund but cannot be an individual investor or a special purpose vehicle or entity.

“**Firms**” means Venture Capital Firms.

“**Fund of Funds Program**” or “**FoF Program**” is the VIPC Fund of Funds Program.

“**Go Virginia**” or “**GOVA**” is a bipartisan, business-led economic development initiative that is changing the way Virginia’s diverse regions collaborate on economic and workforce development activities. More information can be found at <https://govirginia.org/>.

“**GP**” means General Partner.

“**IC**” means Investment Committee.

“**IRR**” means Internal Rate of Return.

“**Leverage**” means the amount of private capital deployed as a result of federal dollars invested.

¹ “Equity/venture capital programs” refer to the broad category of programs that meet these criteria. State-sponsored equity/venture capital programs typically entail joint public-private investment programs focused on “seeding” small businesses with high-growth-potential. For purposes of SSBCI, the references to the term “venture capital fund” refer more specifically to an entity that meets the U.S. Securities and Exchange Commission (SEC) definition of “venture capital fund” set out at 17 C.F.R. § 275.203(l)-1, as well as any entity that would meet that definition but for the form of the investment of SSBCI funds in the entity, e.g., via a debt instrument (in the latter case, this deviation from the regulatory definition may have implications for the ability of program participants to rely on the SEC’s venture capital fund definition and any associated exemption from certain requirements under the Investment Advisers Act of 1940). Co-investments in direct investment programs may come from a venture capital fund or a wider group of investors or funds.

“**LOI**” means Letter of Intent.

“**LP**” means Limited Partner.

“**LPA**” means Limited Partnership Agreement.

“**Manager**” or “**Fund Manager**” means venture capital fund managers or General Partners.

“**MOIC**” means Multiple on Invested Capital.

“**NAICS**” means North American Industry Classification System.

“**OTA**” means Other Transaction Authority. An OTA is a procurement authority that allows federal agencies to enter into agreements with non-traditional defense contractors, such as small businesses. Agreements made by OTAs are themselves referenced as OTAs.

“**Portfolio Companies**” means Virginia-based early-stage companies.

“**PPM**” means private placement memorandum.

“**Q&A**” means Question & Answer.

“**RFP**” means Request for Proposal.

“**SEDI**” means Socially and Economically Disadvantaged Individuals (full definition given below).

“**SBCCI**” means Federally funded State Small Business Credit Initiative.

“**TVPI**” means Total Value to Paid In.

“**Treasury**” means the U.S. Department of the Treasury.

“**VC**” means Venture Capital.

“**VIPA**” means the Virginia Innovation Partnership Authority.

“**VIPC**” means Virginia Innovation Partnership Corporation, the managing non-profit for VIPA.

“**VSF**” means Very Small Businesses (fewer than ten (10) employees).

“**VSFBA**” means the Virginia Small Business Financing Authority.

“**VVP**” means Virginia Venture Partners.

Full Definitions

Capital Allocation

US Treasury considers funds obligated if they have been committed, pledged, or otherwise promised, in writing, as part of an equity/venture investment agreement with an Investment Entity.

Socially and Economically Disadvantaged Individuals (SEDI)

Treasury will consider SSBCI funds to have been expended for SEDI-owned businesses if SSBCI funds invested meet the needs of SEDI-owned businesses. “Meeting the needs of SEDI-owned businesses” means that the SSBCI funds are expended for investments, or other equity support to:

(1) business enterprises that certify that they are owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their:

- membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- gender;
- veteran status;
- limited English proficiency;
- disability;
- long-term residence in an environment isolated from the mainstream of American society;
- membership of a federally or state-recognized Indian Tribe;
- long-term residence in a rural community;
- residence in a U.S. territory;
- residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or membership of an underserved community (see Executive Order 13985, under which “underserved communities” are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of “equity,” and “equity” is consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality);

(2) business enterprises that certify that they are owned and controlled by individuals whose residences are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii);²

(3) business enterprises that certify that they will operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii); or

(4) business enterprises that are located in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).¹³

The term “*owned and controlled*” means, if privately owned, 51 percent is owned by such individuals; if publicly owned, 51 percent of the stock is owned by such individuals; and in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of such individuals.

² For each calendar year, Treasury will use the list of CDFI Investment Areas identified by the CDFI Fund as of January 1 of that calendar year. If the CDFI Fund’s list is updated during that calendar year, the new list will not be adopted for purposes of SSBCI until the next calendar year, in order to provide advance notice to funds. Treasury has provided a mapping tool for the borrower or investee to use to identify whether the relevant address is in a CDFI Investment Area, available at <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas>.

Section 2 – Reference Links

Reference Links

[SSBCI Capital Program Policy Guidelines](#)

[SSBCI Capital Program Compliance Standards](#)

[SSBCI Capital Program Certifications](#)

[SSBCI Reporting Guidance](#)

Section 3 – Appendix A: Investment Performance Track Record Example

Section 4 – Appendix B: Fund Model Example

Assumptions

Key model assumptions

Capital and Fund Assumptions

Capital, Management Fees, base Fund-level assumptions

Detail	Unit	Assumptions	Forecast
Total Committed Capital (Fund Size)	\$	25,000,000	25,000,000
GP Commit, as % of committed capital	%	2.00%	500,000
Organizational Expenses (one time)	\$	100,000	100,000
Operational Expenses (annual)	\$	50,000	500,000
Management Fees, per year, as % of committed capital	%	2.00%	5,000,000
Management Fees Recycled	%	100.00%	5,000,000
Carry	%	20.00%	22,572,000

Portfolio Construction

Capital Allocation and Investment Timeframe Assumptions.

Detail	Unit	New	Follow-on
% Allocation of Invested Capital	%	60%	40%
Average Check Size	\$	300,000	500,000
# of Checks	#	49	20
Fund Operations time period (years)	#	10	
Average Holding period, from investment to exit	#	8	

Return Assumptions

Estimates returns using average gross exit multiples. Used to create overall proceeds forecast.

Type of Exit	Unit	% of Invested Capital	# of Investments	Average Gross Exit Multiple	% of Total Proceeds
Writeoff	#, %	60%	29	0.00	0%
Small	#, %	10%	5	1.50	3%
Medium	#, %	10%	5	5.00	9%
Large	#, %	20%	10	25.00	88%
		100%	49	5.65	100%

Notes

total fund size
 % of total called capital that is required to be contributed by the general partners of the fund. May be funded through management fees if limited partners allow in fund operating agreements.
 expenses occurred in creating a fund entity, which can often be charged to the fund (in addition to management fees)
 any other annual expenses paid by fund, in addition to management fees
 model works for management fees based on called and committed capital (can be edited for fee structures based on assets under management). if you have a management fee structure that steps down over time, you can edit the management fees directly on the Forecast tab.
 recycling proceeds, as a % of management fees

 carry is the % of gains that are paid to the managers of the fund. part of the commonly cited "2 and 20" fees structure for funds

 new = % of intotal fund commitments represented by the initial investment; remainder is allocated to follow on investments. detail on portfolio construction sheet

 this will vary by the stage(s) of investment contemplated by your fund, the size of the fund and the risk exposure limits you plan to adopt
 # of new checks = # of unique companies invested into. # of follow checks = # of rounds participated in, can consist of multiple follow checks into a single company
 time period used for assuming operational expenses and management fees
 number of years from initial investment

A couple of the structures are calculated from the total. The model calculates the average gross exit multiple from the portfolio construction, then backs into the components of this section based on the data there. This is created for presentation purposes to help craft and communicate your investment strategy.

Fund Performance

Fund performance summary

Summary \$'s

Called Capital (also called Paid in Capital)	\$	25,000,000
Management Fees and Fund Expenses	\$	5,600,000
Recycled Fees	\$	5,000,000
Invested Capital	\$	24,400,000
Proceeds	\$	137,860,000
GP Carried Interest	\$	22,572,000
LP Distributions	\$	115,288,000

Return Summary

Gross Multiple	x	5.65
Net Multiple	x	4.61
Gross IRR (estimated)	%	24.17%
Net IRR (estimated)	%	21.05%

(proceeds less paid in capital) * carry %. e.g. carry is paid on the gains earned by the fund. assuming a simple carry structure, not including tiers distributions to investors in the fund

proceeds / invested capital. also known as MOIC (multiple on invested capital) distributions / paid in capital

this is a simplified calculation. in practice, exits will happen at different times and sizes, and IRR will vary to reflect that. this simplified model can only make a simplified estimate of IRR for baseline forecasting

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Section 5 – Appendix C: Leverage Capital Projections Example

Leverage Cash Projections

Investments	Fund Deployment			Third Party Investment			Total	Leverage Cash
	(A) SSBCI Funds	(B) Other LP Funds	(C) Total Investment (A) + (B)	(D) Coinvestment	(E) Follow-On Investment	(F) Total Third Party (D) + (E)	(G) Total Round Size (C) + (G)	(H) Total (B) + (F)
Investment 1 (e.g.)								
Round 1	\$1,000,000	\$3,000,000	\$4,000,000	\$2,000,000		\$2,000,000	\$6,000,000	\$5,000,000
Round 2	\$3,000,000	\$9,000,000	\$12,000,000	\$8,000,000		\$8,000,000	\$20,000,000	\$17,000,000
Round 3					\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Round 4					\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Total	\$4,000,000	\$12,000,000	\$16,000,000	\$10,000,000	\$25,000,000	\$35,000,000	\$51,000,000	\$47,000,000
Investment 2								
Round 1								
Round 2								
Round 3								
Thru Final Round								
Total								
Investment 3								
Round 1								
Round 2								
Round 3								
Thru Final Round								
Total								
Investment 4								
Round 1								
Round 2								
Round 3								
Thru Final Round								
Total								
Final Investment								

Guidance

Applicants must make "best estimate" Leverage Cash Projections for all investments anticipated over the life of the fund

SSBCI funds generate private Leverage Cash in three ways

- * Managers bring together capital from other LPs at the time of fund formation and deploy those funds ratably at the time of investment
- * Managers syndicate investments with other funds at the time of deployment
- * Portfolio companies attract successive rounds of private investment beyond those rounds in which SSBCI funds are deployed

Recipients of SSBCI funds must track and report all Leverage Cash generated throughout the life of the SSBCI fund

This template provides a framework for projecting leverage cash generated by investments throughout the life of the fund

Leverage Cash Projections should incorporate the same assumptions about number and outcome of investments as those used in generating the fund model

The example above depicts total leverage cash generated by the following sequence of events:

- * Round 1 - SSBCI Fund with a 3:1 match realized at formation places a \$4M investment, taking 2/3 of a total round of \$6M and leveraging \$2M private 3rd party investment
- * Round 2 - SSBCI Fund places a \$12M investment in a \$20M financing round and leveraging \$8M private 3rd party investment
- * Round 3 - SSBCI Fund does not participate but the portfolio company but attracts other 3rd party investment of \$10M
- * Round 4 - SSBCI Fund does not participate but the portfolio company but attracts other 3rd party investment of \$15M
- * The company does not raise any additional capital; through a combination private investment leveraged through fund formation and ratably deployment, investment syndication

Section 6 – Appendix D: Fund Budget Example

Fund Name: Seed Stage Fund 1

Instructions: All numbers and percentage figures shown in blue font in the assumptions must be input by the user.

Assumptions:

Fund Size (Expected)	\$ 25,000,000	Total capital raised (include fees and expenses for organization)
Management Fee (Annual)	\$ 500,000	2.0% Input the annual fee to be charged as a percent of the total expected fund size
Fund Op. Expense (Target)	\$ 125,000	0.5% Target should be <1% of AUM to minimize fee drag

Staffing	Base Salary	#	Notes
GP 1	\$ 150,000	1	
GP 2	\$ 150,000	0	
Associate 1	\$ 100,000	1	
Associate 2	\$ 100,000	0	
Other	\$ 40,000	1	

Benefits		
FICA, Social Security, Payroll Taxes	15%	As a % of gross payroll
Other Benefits	10%	As a % of gross payroll
Total Benefits	25%	

Professional Services		
Legal	\$ 40,000	
Accounting & Taxes	\$ 12,000	
Total Professional Services	\$ 52,000	

Occupancy		
Rent (sq ft)	750	
Rent (annualized \$ per sq ft)	\$ 18.00	
Total Occupancy	\$ 13,500.00	

Insurance		
Commercial Umbrella	\$ 2,500	
E&O	\$ 2,000	
D&O	\$ 2,500	
Total Insurance	\$ 7,000	

Travel		
Airfare	\$ 5,000	
Lodging	\$ 7,500	
Car Rentals	\$ 2,500	
Mileage Reimbursement	\$ 10,000	
Total Travel	\$ 25,000	

Conference Costs		
Conference 1	\$ 250	
Conference 2	\$ 250	
Conference 3	\$ 250	
Annual LP Conference	\$ 5,000	
Total Conference Costs	\$ 5,750	

Office Supplies		
Office Supplies	2,500	

Postage & Delivery		
Mailing	\$ 500	
Courier Services	\$ 1,000	
Total Postage & Delivery	\$ 1,500	

Communications Services		
Internet	\$ 2,400	
Web Hosting	\$ 1,500	
Telephone	\$ 4,800	
Total Communications Svcs	\$ 8,700	

Equipment Rentals		
Computers	\$ 1,000	
Copiers	\$ 3,000	
Total Equipment Rental	\$ 4,000	

Dues & Subscriptions		
Dues 1	\$ 500	
Dues 2	\$ 500	
Subscription 1	\$ 250	
Subscription 2	\$ 250	
Total Dues & Subscriptions	\$ 1,500	

Taxes		
Property	\$ 750	
Sales	\$ -	
Total Taxes	\$ 750	

Licenses		
State	\$ 350	
Local	\$ 150	
Total Licenses	\$ 500	

Miscellaneous		
Misc. Exp 1	\$ 250	
Misc. Exp 2	\$ 250	
Total Miscellaneous Expenses	\$ 500	

Year	Management Company Pro Forma P&L									
	1	2	3	4	5	6	7	8	9	10
Revenues	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Payroll Exp:										
GP 1	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
GP 2	-	-	-	-	-	-	-	-	-	-
Associate 1	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Associate 2	-	-	-	-	-	-	-	-	-	-
Other	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Salaries	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
FICA, Social Security, Payroll Taxes	43,500	43,500	43,500	43,500	43,500	43,500	43,500	43,500	43,500	43,500
Other Benefits	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Total Compensation & Benefits	362,500	362,500	362,500	362,500	362,500	362,500	362,500	362,500	362,500	362,500
Gross Profit after Compensation & Benefits	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500	\$ 137,500
Professional Services	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Occupancy	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Insurance	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Travel	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conferences	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750
Office Supplies	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Postage & Delivery	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Communications Services	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700
Equipment Rental	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Dues & Subscriptions	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Taxes	750	750	750	750	750	750	750	750	750	750
Licenses	500	500	500	500	500	500	500	500	500	500
Miscellaneous	500	500	500	500	500	500	500	500	500	500
Total Operating Expenses	123,200	123,200	123,200	123,200	123,200	123,200	123,200	123,200	123,200	123,200
Surplus/Loss before Taxes	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300	\$ 14,300

Section 7 – Appendix E: SSBCI Reporting Template

10 Day Report

Company Name	Company Number	EIN	Initial or Follow-on	Amount	SSBCI	Virginia Appropriations	SSBCI Allocation Type	SSBCI Capital Fund source	
PII		confidential							
TOTALS				\$	-	\$	-	\$	-

VVP Fund	Initial private capital (match)	Meets required match provision	Subsequent private capital	SSBCI Leverage cash multiple	Term Letter Issued	Term Letter Expiration	SSBCI Investee Agreement Date	Closing Date
	confidential		confidential	confidential				
	\$ -		\$ -	#DIV/0!				

Deal Sponsor	Deal Sponsor 2	Associate	Expected Round Size	Initial Closing	Security Type	Stage	Expected Ownership	Val Cap	Cap Type	Discount Price
			confidential	confidential			confidential	confidential	confidential	confidential
			\$ -	\$ -						

GO Virginia Region	NOVA/ROVA/OOS	CDFI Area: Residence	CDFI Area: Business	CDFI: Future Business	Revenue	Net Income	FTE	Estimated FTE 2 yrs: Created	Estimated FTE 2 yrs: Maintained
					confidential	confidential	confidential	confidential	confidential
		0	0	0	\$ -	\$ -	0	0	0

Loan and Investment Info (cont.)

Concurrent Private Financing	Business Revenue	Business Net Income	Full-Time Equivalent Employees	Expected Jobs Created	Expected Jobs Retained	Self-certified SEDI Owned and Controlled in CDFI Investment Area	Self-certified SEDI Future Location in CDFI Investment Area	SEDI Status by Business Address in CDFI Investment Area

Loan and Investment Info (cont.)

Self-Certified SEDI Demographics-Related Business Status	Minority-Owned or Controlled Business Status	Women-Owned or Controlled Business Status	Veteran-Owned or Controlled Business Status	Race of Principal Owners

Loan and Investment Info (cont.)

Ethnicity of Principal Owners	Middle Eastern or North African Ancestry of Principal Owners	Gender of Principal Owners	Gender of Principal Owners – Self-Identification	Sexual Orientation of Principal Owners	Veteran Status of Principal Owners

Transaction Terms-Credit (cont.)

Interest Rate Variability	Other Repayment Terms	Maximum Interest Rate	Total Origination Charges

VIPC Investee Agreement and Application

VIRGINIA INNOVATION PARTNERSHIP CORPORATION AND VIRGINIA SMALL BUSINESS FINANCING AUTHORITY STATE SMALL BUSINESS CREDIT INITIATIVE

INVESTEE AGREEMENT AND APPLICATION

THIS INVESTEE AGREEMENT AND APPLICATION (this “*Investee Agreement*”), effective as of _____ (the “*Effective Date*”), is by and among _____ (“*Investee*”), whose address is _____, and the **Virginia Innovation Partnership Corporation** (“*VIPC*”). VIPC is the operating arm of the Virginia Innovation Partnership Authority (“*VIPA*”). The Virginia Small Business Financing Authority (“*VSBFA*”) is an economic development and small business financing arm of the Commonwealth of Virginia. VSBFA is recipient of funds from the U.S. Department of Treasury State Small Business Credit Initiative, 12 U.S.C. §§ 5701 – 5710 et seq. (“*SSBCI*”). Through VSBFA’s partnership with VIPA and VIPC, VSBFA makes such funds available to the Investee.

Investee’s Contact Information:

Name and title of individual:

E-mail address:

Phone #:

RECITALS

- A. Investee is seeking funding from VIPC under the SSBCI.
- B. Subject to Investee’s providing the representations, warranties, certifications, and covenants in this Investee Agreement and entering into the Investment Documents, VIPC is willing to make an investment in Investee, which investment will be in the form of _____ (the “*Investment*”), for the purpose and consistent with the other terms set forth in VIPC’s term letter appended hereto as Exhibit A, as such terms may be modified by VIPC in its discretion (the “*Term Sheet*”). The Investment, when and if made, will be an Other Credit Support Program as defined in the SSBCI and/or the U.S. Department of the Treasury State Small Business Credit Initiative Capital Program Policy Guidelines, revised October 7, 2022, as the same may be further amended or revised (the “*SSBCI Guidelines*”).
- C. The Investment, when and if made, will be evidenced by and will be made under written agreements (e.g., Note Purchase Agreement and Convertible Promissory Note; SAFE; Stock Purchase Agreement; Side Letter; etc.) between Investee and VIPC and, possibly other investors acceptable to VIPC (the “*Investment Documents*”).
- D. As a material inducement to VIPC’s making the Investment and for VSBFA’s making an advance of SSBCI funds for the Investment in the amount of _____, Investee is willing to comply with the requirements of investees under the SSBCI and the SSBCI Guidelines, including, without limitation, to provide the Investee representations, warranties, certifications, and covenants set forth in this Investee Agreement and to agree to the covenants and agreements set forth in this Investee Agreement for the benefit of VIPC, VIPA, and, VSBFA.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Investee hereby represents, warrants, covenants and agrees with VIPC as follows:

1. Investment. In reliance on Investee’s representations, warranties, and certifications set forth this Investee Agreement and Investee’s covenants and agreements set forth in this Investee Agreement, VIPC agrees to make the Investment in Investee subject to and conditioned upon each the following:

(a) **Investment Documents.** Investee shall have executed and delivered the Investment Documents, in such form and including such terms as are acceptable to VIPC in its sole discretion, including, without limitation, VIPC’s Side Letter in such form and including such terms as are acceptable to VIPC in its sole discretion (the “Side Letter”);

(b) **Approval of Investment.** Approval of the Investment by VIPC’s investment team and Chief Executive Officer and President; and

(c) **Representations, Warranties and Certifications.** Each of Investee’s representations, warranties and certifications set forth this Investee Agreement shall be true and correct as of the time of the Investment in Investee pursuant to the terms of the Investment Documents.

2. Investee Representations, Warranties and Certifications. Under the SSBCI, any private entity (such as Investee) that receives a loan, a loan guarantee, or other financial assistance using funds received by a participating State (including the Commonwealth of Virginia through VSBFA and VIPC) under the SSBCI is required to provide certain certifications, including as set forth below in paragraphs (b) – (f) of this Section 2. Investee hereby represents, warrants, and certifies as follows:

(a) **Virginia Company.** Investee is a Virginia company as defined in the Side Letter.

(b) **Size of Investee.** Investee has 500 or fewer employees.

(c) **No Relationship with VIPC.** Neither Investee nor any officer, manager, director, or owner of Investee is:

i. An executive officer or director of VIPC. An “executive officer” generally means an individual person who participates or has authority to participate (other than in the capacity of a director) in major policymaking functions of VIPC, whether or not the officer has an official title, the title designates the officer an assistant, or the officer is serving without salary or other compensation. The chairman of the board, the president, every vice president, the secretary, and the treasurer of VIPC generally are considered executive officers; or

ii. A member of the immediate family of an executive officer or director of VIPC. “Immediate family” means, and includes, an individual person’s spouse, domestic partner, parents, grandparents, children, grandchildren, brothers, sisters, stepbrothers, and stepsisters, and any relatives who live in the same household.; or

iii. A related interest or immediate family member of such an executive officer or director of VIPC.

For purposes of the above certification, the terms “*executive officer*,” “*director*,” “*principal shareholder*,” “*immediate Family*,” and “*related interest*” have the meanings set forth at 12 CFR part 215.

(d) Not a Certain Businesses.

The Investee is not:

i. A business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade. Speculative activities include wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;

ii. A business that earns more than half of its annual net revenue from lending activities, unless the business is (A) a Community Development Financial Institution (“**CDFI**”), as defined in 12 U.S.C. § 4702(5)(A)), that is not a depository institution or a bank holding company, or (B) a Tribal enterprise, as defined in 25 U.S.C. § 4302(10), lender that is not a depository institution or a bank holding company;

iii. A business engaged in pyramid sales, where a participant’s primary incentive is based on the sales made by an ever-increasing number of participants;

iv. A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution; or

v. A business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

(e) Not a Sex Offender. None of the principals of Investee have been convicted of a sex offense against a minor (as those terms are defined in 34 U.S.C. 20911). For purposes of this Section 2(e), “principal” is defined as follows: (i) if Investee is a sole proprietorship, then the proprietor; (ii) if Investee is a partnership, then each partner; (iii) if Investee is a corporation, limited liability company, association, development company, or other entity, then each director, each of the 5 most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 50% or more of any class of equity interest in the entity; and (iv) if Investee is a partnership where the managing partner is a corporation, limited liability company, association, development company, or other entity, then each director and each of the 5 most highly compensated executives or officers of the entity.

(f) No Conflict of Interest. The Investee is compliant with the venture capital program conflict of interest standards set forth in Section VIII.f of the SSBCI Guidelines. Briefly, these standards provide that no SSBCI insider, or a family member or business partner of an SSBCI insider, has a personal financial interest in the Investee unless an exception specified in Section VIII.f of the SSBCI Guidelines applies. The terms “*SSBCI insider*,” “*family member*,” “*business partner*,” and “*personal financial interest*” have the meanings set forth in Section VIII.f of the SSBCI Guidelines.

If an exception applies, it must be specified here (please provided details): _____

(g) Assurances of Compliance with Civil Rights Requirements. Under penalty of perjury, the undersigned certifies that the undersigned has read and understood the Investee’s (referred to as “*Recipient*” in Appendix A) obligations as described in Appendix A hereto (the “*assurances document*”), that any information submitted in conjunction with such assurances document is accurate and complete, and that the investee (Recipient) is in compliance with the nondiscrimination requirements set forth in the assurances document.

(h) Private Financing Enabled by SSBCI Funding. The Investee certifies that VIPC's SSBCI Investment or commitment to make such Investment has enabled the additional private financing identified below or, if such the amount of such additional financing will not be known until at or after the closing of the Investment, Investee agrees to provide such certification by written notice to VIPC as soon as practicable after such closing.

VIPC's SSBCI Investment or commitment to make such Investment has enabled Investor to secure and closed on an additional \$ _____ in financing from private investors.

3. Investee Certifications and Covenants.

(a) Under 12 U.S.C. §§ 5704(e)(7) and 5705(f)(2) of the Small Business Jobs Act of 2010, as amended, any private entity (such as Investee) that receives a loan, a loan guarantee, other financial assistance or investment using funds received by a participating State (including the Commonwealth of Virginia through VSBFA and VIPC) under the SSBCI is required to provide certain certifications, including as set forth below in this Section 3. Investee hereby certifies and covenants as follows:

i. The Investment proceeds will be used solely for a business purpose. A "*business purpose*" includes, but is not limited to, the following: start-up costs; working capital; franchise fees; acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services; or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. SSBCI funds may be used to purchase any tangible or intangible assets, except goodwill. The term "*business purpose*" excludes acquiring or holding passive investments in real estate, the purchase of securities, and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7))); and

ii. The Investment proceeds will not be used to:

- A. Finance passive real estate investment, which includes, but is not limited to, purchasing residential housing, real estate construction, or development;
- B. Refinance Investee's existing debt owed to VIPC, except that if there is additional debt added to the refinance amount, then the additional principal is eligible for funding;
- C. Repay delinquent federal or state income taxes, unless Investee has a payment plan in place with the relevant taxing authority;
- D. Repay taxes held in trust or escrow, e.g., payroll or sales taxes;
- E. Reimburse funds owed to any owner, including any equity injection or injection of capital for the business's continuance;
- F. Purchase any portion of the ownership interest of any owner of Investee;
- G. Purchase goodwill; or
- H. Finance any portion of SBA-guaranteed loans or other federally guaranteed loans.

(b) Remain a Virginia Company. Investee hereby further certifies and covenants that it will remain a Virginia company as defined and provide in the Side Letter.

(c) **Reporting Requirements.** Investee hereby certifies and covenants that it will conform with all document review and retention requirements imposed by the U.S. Department of the Treasury under the SSBCI program with respect to use of SSBCI funds, including, without limitation, the reporting requirements set forth in the Side Letter.

4. Indemnification. Investee shall indemnify and hold VSBFA, VIPA, and VIPC harmless from and against (to include, without limitation, immediately repaying to VIPC the amount of any Investment using SSBCI funds), and shall pay to each of VSBFA, VIPA, and VIPC, any and all liabilities, damages, claims, costs, or losses incurred or suffered by any of VSBFA, VIPA or VIPC, including attorneys' fees and costs and court costs, resulting from or relating to: (a) any breach of or materially incorrect representation, warranty or certification made by Investee or any officer, director or agent of Investee to VSBFA or VIPC in connection with the Investment, including, without limitation, in this Investee Agreement or in any Investment Document, or (b) any breach by Investee of the terms or conditions of this Investee Agreement, including, without limitation, Investee's certifications and covenants, or any of the Investment Documents. **Investee also acknowledges that any false statement, certification, or representation made by Investee in connection with the Investment is subject to the penalties provided in 18 U.S.C. § 1001.**

5. Miscellaneous.

(a) This Investee Agreement will be governed by and interpreted in accordance with the laws of the United States and the Commonwealth of Virginia, without regard to its conflict of laws provisions. The parties agree that jurisdiction will lie solely in the courts of the Commonwealth of Virginia, and that venue will be solely in the Circuit Court for the City of Richmond, Virginia. In the event that VIPC or VSBFA must file a lawsuit to enforce any provision of this Investee Agreement, then the jurisdiction and venue provisions of this Section 5(a) also will apply to the Investment Documents.

(b) Investee's representations, warranties, certifications, and covenants survive Investee's execution of this Investee Agreement.

(c) VIPA and VSBFA are each an express third-party beneficiary of, and will have the right to enforce, this Investee Agreement.

(d) INVESTEE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS INVESTEE AGREEMENT. INVESTEE CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT, OR ATTORNEY OF VIPC HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT VIPC WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) INVESTEE UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) INVESTEE MAKES THIS WAIVER VOLUNTARILY, AND (IV) VIPC HAS BEEN INDUCED TO ENTER INTO THIS INVESTEE AGREEMENT BY, AMONG OTHER THINGS, INVESTEE'S WAIVERS AND CERTIFICATIONS SET FORTH IN THIS SECTION 5(C).

(e) Any term or provision of this Investee Agreement that is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Investee Agreement or affecting the validity or enforceability of any of the terms or provisions of this Investee Agreement in any other jurisdiction. If any provision of this Investee Agreement is so broad as to be unenforceable, then the provision will be interpreted only to be so broad as is enforceable.

(f) The headings or captions in this Investee Agreement are included only for convenience of reference and shall be ignored in the construction or interpretation of this Investee Agreement.

(g) This Investee Agreement, the Exhibits hereto and the Investment Documents contain the complete agreement between the parties hereto with respect to the matters described herein and therein and supersede all prior agreements and understandings between the parties hereto with respect to matters herein and therein.

(h) This Investee Agreement may be amended or modified only by an instrument in writing duly executed by Investee and an authorized representative of VIPC. No waiver by VIPC of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by an authorized representative of VIPC. No waiver by VIPC shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in VIPC's exercising, any right, remedy, power or privilege arising under this Investee Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any VIPC right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(i) This Investee Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. Federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. A signed copy of this Investee Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Investee Agreement.

(j) This Investee Agreement inures to the benefit of, and shall be binding upon, the parties hereto and their successors and assigns.

(k) For auditing purposes, Investee authorizes VIPC and VSBFA to provide to the U.S. Department of Treasury (including Treasury's Office of the Inspector General) access to all transaction-related files, program documents, accounting documents, and any other transaction-related information requested pertaining to SSBCI funds and Investee's use of those funds, provided that any and all such records will be kept confidential and withheld from disclosure to third parties to the fullest extent allowable by law.

6. Required Additional Information.

Investee's EIN:
<p>Primary Business Activity (Please select one):</p> <ul style="list-style-type: none"><input type="checkbox"/> Marketing, market research, and commercialization expenses<input type="checkbox"/> Research and development<input type="checkbox"/> Technology integration in physical production, e.g., manufacturing or supply chain<input type="checkbox"/> Technology integration of nonphysical production, e.g., accounting, customers<input type="checkbox"/> Acquire land<input type="checkbox"/> Purchase existing building<input type="checkbox"/> Convert, expand, or renovate buildings – energy efficiency<input type="checkbox"/> Construct new buildings<input type="checkbox"/> Acquire and install fixed assets

Investee's EIN:

- Acquire inventory
- Purchase supplies and raw materials
- Leasehold improvements
- Working capital – wages, salaries, and benefits of employees
- Working capital – other
- Refinance outstanding debt
- Support employee stock ownership plan (ESOP) transactions
- Other (please specify):

Secondary Business Activity (Please select all that apply):

- Marketing, market research, and commercialization expenses
- Research and development
- Technology integration in physical production, e.g., manufacturing or supply chain
- Technology integration of nonphysical production, e.g., accounting, customers
- Acquire land
- Purchase existing building
- Convert, expand, or renovate buildings – energy efficiency
- Construct new buildings
- Acquire and install fixed assets
- Acquire inventory
- Purchase supplies and raw materials
- Leasehold improvements
- Working capital – wages, salaries, and benefits of employees
- Working capital – other
- Refinance outstanding debt
- Support employee stock ownership plan (ESOP) transactions
- Other (please specify):

Energy or Climate Impacted Communities:

Is your company in a community facing local job losses or business revenue declines because of physical or transition impacts from climate change, including shifts in energy production. Examples of such local job loss or revenue declines include declines because of changes in the economics of producing certain agriculture or foods, other natural resource goods, chemical inputs, manufactured products, or service sector outputs due to acute or chronic climate impacts, costs, regulations, or shifts in demand. Examples of shifts in energy production include any transition away from fossil fuel extraction, refining, or fossil-based energy generation in the oil, gas, and/or coal sector.

Yes No

NAICS Code:

CDFI Investment Area:

One or more of the business owners reside in a CDFI Investment Area:

Yes No

Investee is located in a CDFI Investment Area:

Yes No

Investee anticipates being located in a CDFI Investment Area:

Yes No

Revenue in Last Fiscal Year or Calendar Year:

Net Income in Last Fiscal Year or Calendar Year:

Total Number of Full Time Employees: (2 half time employees equals 1 full time employee)

Estimated Jobs to be Created by this Investment over next 2 years:

Estimated Jobs to be Retained by this Investment over next 2 years:

7. Optional Self-Certification SEDI Demographics-Related Business Status.

(The Investee does not have to be a Socially and Economically Disadvantaged Individual owned business to qualify for the SSBCI program and is not required to provide this certification)

1. If this box is checked, I certify that Investee’s business is owned and controlled by individuals who have had their access to credit on reasonable terms diminished compared to others in comparable economic circumstances due to their (please check each that applies):

- Membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- Gender;
- Veteran status;
- Limited English proficiency;
- Disability;
- Long-term residence in an environment isolated from the mainstream of American society;
- Membership of a federally or state-recognized Indian Tribe;
- Long-term residence in a rural community;
- Residence in a U.S. territory;
- Residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
- Membership of another underserved community.

“Underserved communities” are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of equity.

“Equity” is the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

For purposes of this certification, a business is *“owned and controlled”* by applicable individuals: (a) if privately owned, then 51% or more is owned by such individuals; (b) if publicly owned, then 51% more or of the stock is owned by such individuals; and (c) if a mutual institution, then a majority of the board of directors account holders, and the community which the institution services predominantly is comprised of such individuals.

2. If this box is checked, I certify that Investee’s business enterprise is owned and controlled by individuals whose residences are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).³

Individual(s)’ Address(es) in CDFI Investment Areas:

3. If this box is checked, I certify that Investee’s business enterprise will build, open, or operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).

Business Address in CDFI Investment Area:

8. Additional Optional Information.

(a) SSBCI Privacy Notice and Privacy Act Statement.

Privacy Notice. Information collected from this Investee Agreement will be shared with the U.S. Department of the Treasury (“Treasury”). Treasury has published a Privacy and Civil Liberties Impact Assessment that describes what Treasury will do with the information Investee provides in this Investee Agreement. It can be found on the Treasury website. If you have any questions about this Investee Agreement, then please email Privacy@Treasury.gov.

Privacy Act Statement for Sole Proprietorships. The Privacy Act of 1974 (“Privacy Act”) protects certain information that the federal government has about “individuals” – i.e., United States citizens and lawfully admitted permanent residents. The Privacy Act does not generally apply to businesses, but some federal courts have found that this law applies to sole proprietors (they are deemed “individuals” under the Privacy Act). If the Investee is a sole proprietor, then you may have rights under the Privacy Act.

Authority. Small Business Jobs Act of 2010 (SBJA), Title III, 12 U.S.C. § 5701 et seq., as amended by the American Rescue Plan Act of 2021 (“ARPA”), section 3301; Executive Order No. 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government, 86 Fed. Reg. 7009 (January 25, 2021); and Interim Final Rule, State Small Business Credit Initiative; Demographics-Related Reporting Requirements, 87 Fed. Reg. 13628 (March 10, 2022).

Purpose. Information collected from this Investee Agreement will be shared with Treasury. This information will be shared with Treasury so it can conduct oversight to ensure compliance with federal law, including requirements related to nondiscrimination and nondiscriminatory uses of federal funds. Treasury also receives this information (including any demographic information provided) to comply with reporting requirements under the authorities listed above and to advance fairness and opportunity in underserved communities in the allocation of federal resources.

Routine Uses. The information furnished by the Investee may be shared in accordance with the routine uses outlined in Treasury .013, Department of the Treasury Civil Rights Complaints and Compliance Review Files; Treasury .015, General Information Technology Access Account Records; and Treasury .017, Correspondence and Contact Information. For example, one routine use under Treasury .013 is to disclose pertinent information to appropriate agencies when Treasury becomes aware of a potential violation of civil or criminal law. Under this routine use, Treasury may disclose demographic information to the appropriate agencies if Treasury becomes aware of a violation of applicable antidiscrimination laws. More information about this and other routine uses can be found in the System of Records Notices (“**SORNs**”) listed above, which are posted on Treasury’s website.

³ Treasury has provided a mapping tool for the borrower or investee to use to identify whether the relevant address is in a CDFI Investment Area at <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas>.

Disclosure: Providing this information is voluntary. However, failure to furnish the requested information (except for the demographic information) may result in the denial of this Investee Agreement. Providing demographic information is optional. If you decline to provide this information, then it will not adversely affect your application.

(b) Demographics-Related Data.

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively, “participating jurisdictions”). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity.

Filling out this form and providing demographic information is optional; applicants are not required to provide the requested information, but are encouraged to do so. The entity collecting this information cannot discriminate on the basis of whether an applicant provides this information, or based on any information provided on this form. If you decline to provide this information, then it will not adversely affect your application.

The demographics-related information collected can be used only for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing or sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. §§ 2000d-1 *et seq.*, and Treasury’s implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. § 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. §§ 1681 *et seq.*, and Treasury’s implementing regulations, 31 C.F.R. part 28; the Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 *et seq.*, and Treasury’s implementing regulations at 31 C.F.R. part 23.

If you believe you were discriminated against in connection with the provision of the information provided on this form, then contact: Director, Office of Civil Rights and Diversity, U.S. Department of the Treasury, 1500 Pennsylvania Ave, N.W., Washington, DC 20220, or by email at crcomplaints@treasury.gov. PAPERWORK REDUCTION ACT NOTICE - OMB Control Number 1505-0227

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Applicants are encouraged to answer all of the questions below.

This information is being collected to help ensure that communities’ small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

1. Minority-owned or controlled business status

For purposes of this form, minority individual means a natural person who identifies as American Indian or Alaska Native; Asian American; Black or African American; Native Hawaiian or Other Pacific Islander; Hispanic or Latino/a; or one or more than one of these groups. For purposes of this form, an applicant is a minority-owned or controlled business if the business meets one or more of the following:

(1) if privately owned, 51 percent or more is owned by minority individuals; (2) if publicly owned, 51 percent or more of the stock is owned by minority individuals; (3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of minority individuals; or (4) one or more minority individuals have the power to exercise a controlling influence over the business.

Is the applicant a minority-owned or controlled business?

Yes No Prefer not to respond

2. Women-owned or controlled business status

For purposes of this form, an applicant is a women-owned or controlled business if the business meets one or more of the following:

(1) if privately owned, 51 percent or more is owned by females; (2) if publicly owned, 51 percent or more of the stock is owned by females; (3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of females; or (4) one or more individuals who are females have the power to exercise a controlling influence over the business.

Is the applicant a women-owned or controlled business?

Yes No Prefer not to respond

3. Veteran-owned or controlled business status

For purposes of this form, an applicant is a veteran-owned or controlled business if the business meets one or more of the following:

(1) if privately owned, 51 percent or more is owned by veterans; (2) if publicly owned, 51 percent or more of the stock is owned by veterans; (3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of veterans; or (4) one or more individuals who are veterans have the power to exercise a controlling influence over the business.

Is the applicant a veteran-owned or controlled business?

Yes No Prefer not to respond

IN WITNESS WHEREOF, the parties hereto have caused this Investee Agreement to be duly signed and sealed by them as of the date first above written.

[_____]

By: _____ (SEAL)
Authorized signer for Investee

Name: _____
Type or print name of authorized signer

Title: _____

Date: _____

Virginia Innovation Partnership Corporation

By: _____ (SEAL)
Authorized signer

Name: Robert Stolle
Type or print name of authorized signer

Title: President and Chief Executive Officer

Date: _____

Assurances of Compliance with Civil Rights Requirements

As a condition of receipt of federal financial assistance from the Department of the Treasury, the recipient named below (hereinafter referred to as the “**Recipient**”) provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the Recipient’s beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits.

The assurances apply to all federal financial assistance from or funds made available through the Department of the Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of the Recipient’s program(s) and activity(ies), so long as any portion of the Recipient’s program(s) or activity(ies) is federally assisted in the manner prescribed above.

1. Recipient ensures its current and future compliance with legal requirements related to nondiscrimination and nondiscriminatory use of federal funds. These requirements include ensuring that entities receiving federal financial assistance from Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with, but not limited to, the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. 2000d-1 et seq., and the Department’s implementing regulations, 31 C.F.R. part 22, and other pertinent executive orders such as Executive Order 13166; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department’s implementing regulations, 31 C.F.R. part 28; Age Discrimination Act of 1975, 42 U.S.C. 6101 et seq., and the Department’s implementing regulations at 31 C.F.R. part 23.
2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient’s successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above. With regard to Title VI, Recipient agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.
7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.
8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.
9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.
10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document. State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 30 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

OMB Control # 1505-0227

VVP Side Letter Language

_____, 20__

[Name
Company Name
Company Address
City, State, Zip]

Side Letter to Accompany Convertible Note under Note Series [insert name of Note Series] (the “Note”) Executed between the Virginia Innovation Partnership Corporation (“VIPC”) and _____ (“[insert Company name]” or “Company”) on _____, 20__ (the “Effective Date”)

Dear _____:

This side letter between VIPC and [insert Company name] acknowledges that in the event that [insert Company name] fails to maintain its status as a Virginia Company (as defined below) at any time within the three-year period after the Effective Date (the “**Three-Year Period**”), then in addition to the rights of VIPC under the Note, one of the following terms shall apply:

1. If the Note has not previously been converted or pre-paid, upon an equity financing (including but not limited to a Qualified Financing), VIPC shall have the right to convert the Note into the Company’s equity securities issued in such equity financing at a 50% discount, with all other provisions of Section 3 of the Note remaining in place;
2. At any time during the term of the Note (including any extensions thereof), VIPC will have the right to convert into the Company’s common equity securities at a fully-diluted pre-money valuation of \$_____ [insert 50% of normal valuation for conversion to common equity securities];
3. At any time during the term of the Note (including any extensions thereof), VIPC will have the right to demand repayment, in cash, of all outstanding principal and accrued interest; and
4. If the Note has previously been converted into the Company’s equity securities, then an additional fee, in an amount equal to VIPC’s principal investment, shall immediately become due and payable by Company to VIPC (the “**Additional Amount**”). For the avoidance of doubt, in addition to being entitled to the Additional Amount, VIPC shall retain any Company equity securities received from the Note conversion.

For purposes of this side letter, the term “**Virginia Company**” shall mean that the Company meets each of the following criteria, as determined in the sole and absolute judgment of VIPC, at any time beginning on the date hereof:

1. The Company’s headquarters and primary business address (if different than the Company’s headquarters) are located within the Commonwealth of Virginia;
2. A majority of the Company’s administrative and strategic operations are performed within the Commonwealth of Virginia;
3. The primary office for a majority of the Company’s senior management, including the Chief Executive Officer, is within the Commonwealth of Virginia; and
4. The Company is registered to do business in Virginia and is “in good standing” with the Virginia State Corporation Commission.

For the Three-Year Period, if the Company accepts any direct or indirect funding from a state economic development agency requiring temporary or permanent relocation of the Company's headquarters or any member of the Company's senior management outside of the Commonwealth of Virginia, Company shall be required to pay VIPC an additional fee, in an amount equal to two times (2x) VIPC's principal investment, regardless of whether VIPC holds debt or equity in the Company. For the avoidance of doubt, in the event this provision is triggered, all other provisions in this side letter, the Note shall remain in full force and effect.

In addition, for the Three-Year Period, the Company agrees to:

1. Quarterly, provide VIPC with financial, funding (including proof of funding) and operational updates;
2. Provide VIPC with additional information rights commensurate with those given to members of the Company's Board of Directors;
3. Allow VIPC to send an observer to all of the Company's board of director (or equivalent) meetings;
4. Utilize Carta or a substantially equivalent service for the Company's cap table management and/or provide VIPC with access to the Company's most recent cap table; and
5. Ensure that the Company's Chief Executive Officer (CEO) does not serve as a C-level executive (or similar) with any other entity or business unless the Company has first fully and accurately disclosed, in writing, to VIPC the details of such service and VIPC has consented to such service, in writing.

For a Five-Year Period, the Company agrees to:

1. Annually, provide VIPC with information related to, but not limited to, private leverage, jobs created, numbers of patents created, and job and revenue forecasts in each of the 5 calendar years following the closing of VIPC's initial investment in the Company.
2. For a Ten-Year Period, the Company agrees to:
3. Provide annual gross revenue number for the most recent fiscal or calendar year;
4. Provide net income for the most recent fiscal or calendar year;
5. Provide total dollar amount of investment received since VIPC's investment including proof of investment (i.e. wire receipts).

Finally, VIPC may assign or otherwise transfer all or a portion of VIPC's Participation Rights, Pro Rata Rights, or Future Rights with the Company's written consent (which shall not be unreasonably withheld, delayed or conditioned) to any Affiliate.

Sincerely,

Robert Stolle
President and Chief Executive Officer
Virginia Innovation Partnership Corporation

Accepted by [insert Company name]:

[Contact name]

[Title]

Date:

Supplemental Questionnaire

Each principal owner of the applicant is encouraged to answer the questions below.

This information is being collected to help ensure that communities' small business funding needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

For purposes of this form, a **principal owner** of the applicant is a natural person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, **owns 25 percent or more of the equity of the business**. If a trust owns, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, 25 percent or more of the equity interests of the business, the trustee is a principal owner.

For each principal owner of the applicant, indicate which of the following categories the principal owner identifies with. Submit a separate copy of this table for each principal owner of the applicant (up to four).

Name:	Title:		
<p>1. Ethnicity</p> <p><input type="checkbox"/> Hispanic or Latino/a <input type="checkbox"/> Prefer not to respond <input type="checkbox"/> Not Hispanic or Latino/a</p>			
<p>2. Race (select all that apply)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Indian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Vietnamese <input type="checkbox"/> Asian (Other) </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Samoan <input type="checkbox"/> Pacific Islander (Other) <input type="checkbox"/> White <input type="checkbox"/> Prefer not to respond </td> </tr> </table>		<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Indian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Vietnamese <input type="checkbox"/> Asian (Other)	<input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Samoan <input type="checkbox"/> Pacific Islander (Other) <input type="checkbox"/> White <input type="checkbox"/> Prefer not to respond
<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Indian <input type="checkbox"/> Chinese <input type="checkbox"/> Filipino <input type="checkbox"/> Japanese <input type="checkbox"/> Korean <input type="checkbox"/> Vietnamese <input type="checkbox"/> Asian (Other)	<input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Guamanian or Chamorro <input type="checkbox"/> Native Hawaiian <input type="checkbox"/> Samoan <input type="checkbox"/> Pacific Islander (Other) <input type="checkbox"/> White <input type="checkbox"/> Prefer not to respond		
<p>3. Middle Eastern or North African Ancestry</p> <p><input type="checkbox"/> Middle Eastern or North African <input type="checkbox"/> Not Middle Eastern or North African <input type="checkbox"/> Prefer not to respond</p>			
<p>4. Gender</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> Nonbinary </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Prefer to self-describe: _____ <input type="checkbox"/> Prefer not to respond </td> </tr> </table>		<input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> Nonbinary	<input type="checkbox"/> Prefer to self-describe: _____ <input type="checkbox"/> Prefer not to respond
<input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> Nonbinary	<input type="checkbox"/> Prefer to self-describe: _____ <input type="checkbox"/> Prefer not to respond		

5. Sexual Orientation

- Gay or lesbian
- Bisexual
- Straight, that is, not gay, lesbian, or bisexual
- Something else
- Prefer not to respond

6. Veteran Status

- Veteran
- Non-veteran
- Prefer not to respond

7. Other

- Limited English proficiency
- Disability
- Long-term
- Residence in an environment isolated from the mainstream of American society;
- Membership of a federally or state-recognized Indian Tribe;
- Long-term residence in a rural community
- Located in a CDFI Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii)

Section 8 – Representations and Certifications

Part of the eventual agreement will require Applicants to agree to and sign SSBCI program-specific Certifications. Please review the required certifications. While these certifications will not be required at time of Applicant's Step 1 submission, they will need to be submitted and verified prior to VIPC execution of an LPA and prior to funding. Please do not apply unless you feel the Fund Manager can sign the following Certifications.

Form 1: Statement of Proposal to VIPC – Part of Step 2

Form 2: Authority to Investigate the Fund – Part of Step 2

Form 3: Authority to Investigate the GP's, etc. – Part of Step 2

Form 4: Bankruptcy, Criminal Proceedings, and Judgements

Form 5: General Certifications

Form 6: COI Certifications

Form 7: Certifications Relating to Sex Offenses

Form 1: Statement of Proposal to VIPC – Part of Step 2

_____ (Legal Name of Applicant)

Corporation Professional Corporation Partnership Limited Partnership
Ltd. Liability Company Ltd. Liability Partnership Sole Proprietorship Other _____

Mailing Address:

Type name of contact/authorized representative: _____

Email address: _____

Telephone: _____

Other: _____

Type name of person(s) authorized to execute a contractual agreement:

Affirmative Action, Nondiscrimination: VIPC is an equal-employment-opportunity employer and values diversity in its work force. It also requires Proposers/Applicants to have an operating policy as an equal employment opportunity employer, and to follow good faith diversity efforts when subcontracting. As such, the “Company” _____ **certifies the following:**

We have a formal statement of nondiscrimination in employment policy and have an affirmative action program if over 50 employees. (Firms of 50 people or less do not need a formal program but must have a policy.)

Does Applicant’s Company have 50 or more employees?

Yes No

Responsibility Certifications

Has your Company ever been declared in breach of any contract to provide services for unperformed or defective work?

Yes No

If “yes,” explain.

Responsibility Certifications

Has any employee or agent of your Company been convicted under state or federal law of embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty?

Yes No

If “yes,” explain.

Has your Company or any employee or agent of your Company been indicted under state or federal false claims or antitrust laws, or charged with any other criminal offense related to lending laws or arising out of obtaining, attempting to obtain, or performing a public or private contract or subcontract?

Yes No

If “yes,” explain.

During the last ten years, has your Company changed majority ownership or been the debtor in a bankruptcy case?

Yes No

If “yes,” explain.

Does your Company have any outstanding judgments pending against it?

Yes No

If “yes,” explain.

Responsibility Certifications

During the last ten years, has your Company been a party to litigation, arbitration, or mediation where the amount in dispute exceeded \$10,000?

Yes No

If “yes,” explain. (Include court and party names.)

Conflicts of Interest:

Please select only one of the following four options:

- Our Company has no current, known, actual, potential, or reasonably perceived conflicts of interest triggered by participation in this Program.
- Our Company has a potential or reasonably perceived conflict of interest triggered by participation in this Program as described here: _____.
- Our Company proposes to mitigate the potential or perceived conflict according to the following plan: _____.
- Our Company has an actual conflict of interest triggered by participation in this Program as described here: _____.

Tax Information and Tax Compliance: Any individual signing on behalf of Applicant Company hereby certifies under penalty of perjury: (a) Applicant’s correct taxpayer identification number is [_____]; (b) s/he is authorized to act on behalf of Applicant, s/he has authority and knowledge regarding Applicant’s payment of taxes, and to the best of her/his knowledge. Applicant is not in violation of: (i) all tax laws of the Commonwealth of Virginia, including but not limited to those included in: ORS 320.005 to 320.150 and 403.200 to 403.250 and ORS chapters 118, 314, 316, 317, 318, 321 and 323 and local taxes administered by the Department of Revenue; (ii) any tax provisions imposed by a political subdivision of the Commonwealth of Virginia that applied to Applicant, to Applicant’s property, operations, receipts, or income, or to Applicant’s performance of or compensation for any work performed by Applicant; (iii) any tax provisions imposed by a political subdivision of the Commonwealth of Virginia that applied to Applicant, or to goods, services, or property, whether tangible or intangible, provided by Applicant; and (iv) any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions; and (f) in the event that Applicant is a general partnership or joint venture, that Applicant signature(s) on this document constitutes certifications to the above statements pertaining to the partnership or joint venture, as well as certifications of the above statements as to any general partner or joint venture partner.

By signing this certification, I understand, agree, and verify the truth of all statements and responses.

Name

Date

Title:

Name of Entity/Company:

Form 2: Authority to Investigate the Fund – Part of Step 2

This Form 3 shall only be completed by the Authorized Representative(s) of the Applicant.

I, the Authorized Representative of the Entity Applicant, understand that the Virginia Venture Partners (“**VVP**”), a division of the Virginia Innovation Partnership Corporation (“**VIPC**”), or any designees may conduct investigations and obtain verifications regarding the Fund Manager(s) business background, credit, experience, and other related matters in conjunction with the Fund Manager(s) selection process conducted by the VIPC/VVP. I further understand that the VIPC/VVP, or its designee(s), may seek additional information and references, in addition to investigating/verifying information contained in and subject to the FUND’s proposal submission.

Name

Signature of Authorized Representative for Fund

Printed Name and Title of Authorized Representative for FUND

Date

Form 3: Authority to Investigate the GP's, etc. – Part of Step 2

This Form 4 shall be fully completed and signed by each of the Fund's General Partners, Principal Officers, Owners, and Investment Managers.

I, _____, understand and agree that the Virginia Venture Partners (“**VVP**”), a division of the Virginia Innovation Partnership Corporation (“**VIPC**”), or designee(s) may conduct investigations and obtain verifications regarding my personal background, which includes but is not all inclusive of, background and credit checks, verification of skills and experience, request for and review of resumes and other credentials, contacting references, and any other related matters as applicable, which shall be conducted by the VIPC/VVP and subject to the proposal selection process as an employee and/or agent of the Fund Manager (entity name), _____.

In order to conduct such investigations and obtain such verifications, I understand and agree that the VVP, VIPC, or designee(s) will request and obtain additional information as requested below. I understand that the disclosure of my social security number will be held confidential by VIPC, VVP, and designee(s).

Further, I voluntarily give the VVP, VIPC, or designee(s) access to the information and documents stated within this certification (Form 3), and I understand that the VIPC/VVP or designee(s) may seek additional information and references for investigating/verifying information contained in the FUND's proposal submission, including all representations and certifications.

I, _____, certify that the following information is true and correct.

Full Name and Title: _____

Previous Name(s): _____

Current Residential Address: _____

Previous Residential Address(es) for last 10 years: _____

Social Security Number (SSN): _____

Date of Birth (mm/dd/yyyy): _____

By signing this certification, I understand, agree, and verify that all of the information provided by me in this document, including all requested information and statements, are true and accurate.

Name:

Date:

Title:

Entity/Company Name:

Form 4: Bankruptcy, Criminal Proceedings, and Judgements

This Form 5 shall be fully completed and signed by each of the Fund's General Partners, Principal officers, Owners and Investment Managers.

If any of the following events have occurred during the last five (5) years, describe the circumstances of the event, including the date on which a judgment was entered, and explain any mitigating circumstances:

Certain Events

For purposes of computing the five-year (5) period in these Questions, the date of the event is the date on which the final order, judgment or decree was entered, or the date by which any right of appeal from preliminary orders, judgments or decrees have lapsed. For bankruptcy petitions, the computation date is the date of filing for uncontested petitions or the date for which approval of a contested petition becomes final. Italicized terms are defined in the section entitled "Definitions" at the end of this questionnaire and certification.

Definitions

An "**affiliate**" of, or a person "**affiliated**" with, another person is a person that directly or indirectly, through one or more intermediaries, *controls*, or is *controlled by*, or is *under common control* with, such person.

A person "**associated**" with you means (a) any corporation or organization (other than the Company) of which you are an officer or partner or are, directly or indirectly, the *beneficial owner* of 10% or more of any class of equity securities, or (b) any trust or estate in which you have a substantial beneficial interest or as to which you serve as trustee or in a similar capacity, or (c) any relative or spouse, or relative of your spouse, who is living in your home or who is a director or officer of the Company.

A "**beneficial owner**" of stock includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares (i) voting power (which includes the power to vote, or to direct the voting of, such stock) and/or (ii) investment power (which includes the power to dispose, or to direct the disposition of, such stock).

"**Control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

"**Executive officer**" means a company's president, any vice president in charge of a principal business unit, division or function, any other officer who performs a policy making function or any other person who performs similar policy making functions for a company. Executive officers of subsidiaries may be deemed executive officers of a company if they perform such policy making functions for the company.

"**Person or persons**" means any individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, or government or political subdivision thereof.

"**You**" or "**Your**" means a FUND's executive officer, which includes General Partners, Principal officers, Owners, and Investment Managers.

1. A bankruptcy or insolvency petition was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for: (i) you; (ii) your business or property; (iii) the business or property of any partnership of which you were a general partner at or within two years before the time of such filing; or (iv) the business or property of any corporation or business association, of which you were an executive officer at or within two years before the time of such filing.

Answer:

2. A criminal proceeding (other than a traffic violation or other minor offense) resulted in a conviction against you, or you are the subject of a pending criminal proceeding (other than a traffic violation or other minor offense).

Answer:

3. You have been the subject of an order, judgment or decree that permanently or temporarily enjoined or otherwise limited your participation or right to engage in, or continue, any conduct or practice in connection with any of the following activities, or associated with any person who engages in such activities:
 - a. acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, or any other person regulated by the Commodity Futures Trading Commission ("CFTC"), or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company or engaging in or continuing any conduct or practice in connection with such activity;
 - b. engaging in any type of business practice; or engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities or federal commodities laws.

Answer:

4. A court, the SEC, or the CFTC has found that you have violated a federal or state securities or federal commodities law and such finding has not been subsequently reversed, suspended, or vacated.

Answer:

5. You were the subject of an order, judgment or decree, not subsequently reversed, suspended or vacated, of a federal or state authority barring, suspending or otherwise limiting, for more than 60 days, your right to engage in any activity described in subpart (iii)(A) of this section, or in association with persons engaged in such activity.

Answer:

By signing this certification, I verify that all of the answers and statements, provided by me in this document, are true and accurate.

Full Name and Title

Name of Legal Entity

Signature

Date

Form 5: General Certifications

This Form 6 shall be fully completed and signed by each of the Fund's General Partners, Principal Officers, Owners, and Investment Managers.

I, _____, certify:

1. That the Applicant's submitted Application, except for entities clearly identified as part of the proposal, has been prepared, developed, and completed independently without collaboration, consultation, communication, or agreement with any other Fund or competing entities/Applicants.
2. That unless otherwise required by law, the Applicant's competitive proposal submission has not been knowingly disclosed, directly or indirectly, to any other competing entity/Applicant, nor will proposal content be disclosed to any other competitor prior to the VIPC's notification of a Fund Manager(s) selection.
3. That no attempt has been or will be made by Applicant to induce any other person or entity to submit or to withhold a proposal for the purpose of restricting competition for this RFP.
4. That the Virginia Innovation Partnership Authority ("**VIPA**"), VIPC, VVP, its employees and agents, shall be indemnified, saved, and held harmless, against any and all claims, damages, liability and court awards, including costs, expenses, and attorney fees incurred as a result of any act or omission by the Fund, or its employees, agents, subcontractors, other third parties, or assignees pursuant to this RFP.
5. That the Fund shall have no authorization, express or implied, to bind the VIPC to any agreements, liability, or understanding except as expressly set forth herein. The Fund shall provide and keep in force worker's compensation (and provide proof of such insurance when requested by the VIPC) and unemployment compensation insurance in the amounts required by law and shall be solely responsible for all acts or omissions of the Fund, its employees, and agents.
6. That the Fund shall comply with the letter and the spirit of all applicable federal, state, and local laws with respect to discrimination and unfair employment practices.
7. That, to my knowledge, a member of the VIPC Board of Directors, an employee of the VIPC, or an employee or agent of the Commonwealth of Virginia has no personal or beneficial interest, whatsoever, in the service or property described herein, within the RFP, or Applicant's proposal.
8. That neither the Fund nor any of its current employees have been involved in a transaction in which the Fund or any current employees have been the subject of a proceeding of any nature (with or without formal hearings) by the Securities and Exchange Commission, a federal agency of the United States or another country, a state agency, a national securities association, a self-regulatory organization, a professional organization, or a judicial or quasi-judicial body.
9. That if a Fund is selected by VIPC and VIPC is identified as an LP, Fund Manager shall include the following statement in any of their offering materials, "The Commonwealth of Virginia does not endorse the quality of management or the potential for earnings of the Fund, _____ (state fund name), and VIPC shall be indemnified and held harmless and is not liable for damages or losses to an investor in the Fund or any other entity or third party of the Fund. Further VIPC's selection of a Fund's participation in the SSBCI Program does not constitute a recommendation or endorsement by the VIPC of the Fund or its investments.

10. That the Fund will disclose details subject to any and all contractual agreements with the Commonwealth of Virginia, in the last five (5) years, where the Fund, the Fund’s general partners, the Fund’s principal officers, the Fund’s owners, and/or the Fund’s investment managers are a party to an agreement.
11. That the Fund will provide information as to the Fund’s status as a Registered Investment Advisor (“**RIA**”) and how the Fund plans to comply with, or demonstrate its legitimate exemption from, state and federal laws and regulations regarding RIA’s.
12. That I have received, read, understand, agree, and will comply with all SSBCI Program regulations and publications and this certification document, and that the Applicant’s proposal, representations and certifications, and all other information and documents submitted to the VIPC/VVP for review is true and accurate.

Fund Name

Name and Title of the Authorized Representative (Printed)

Signature of the Authorized Representative of the Fund

Date

Form 6: COI Certifications

This Form 7 shall be fully completed and signed by each of the Fund's General Partners, Principal Officers, Owners, and Investment Managers.

I, _____, certify:

That the Fund and its employees, owners, and affiliates have not had a business relationship with any member of the VIPC Board of Directors or VIPC employees in the previous twelve (12) months and will not engage in such relationship, subject to the SSBCI Program, for at least three (3) years following a contractual relationship with the VIPC.

That Funds will not be used to invest in a business in which an SSBCI insider has a personal financial interest per the SSBCI Conflict of Interest standards for venture capital programs.

SSBCI Conflict-of-Interest Standards for Venture Capital Programs

Funds from an SSBCI venture capital program must not be used to make an investment in a business in which an SSBCI insider has a personal financial interest.

1. An "SSBCI insider" of an SSBCI venture capital program is a person who, in the 12- month period preceding the date on which SSBCI support for a specific investment in a venture capital Fund or company is closed or completed was:
 - a. a manager or staff member, whether by employment or contract, in the state's SSBCI venture capital program;
 - b. a government official with direct oversight or jurisdiction over an SSBCI venture capital program, or such an official's immediate supervisor;
 - c. a member of the board of directors or similar body for a state-sponsored non-profit entity who, through such membership, has authority to vote on decisions to invest SSBCI Funds or has authority over the employment or compensation of staff managing processes related to the investment of SSBCI Funds;
 - d. a member of the board of directors or similar body for an independent nonprofit or for-profit entity that operates an SSBCI venture capital program; or an employee, volunteer, or contractor on an investment committee ("**IC**") or similar body that recommends or approves SSBCI investments under the SSBCI venture capital program; or
 - e. Exercised a controlling influence on state decisions regarding:
 - i. The allocation of SSBCI Funds among approved state venture capital programs;
 - ii. Eligibility criteria for the state's SSBCI venture capital programs; or
 - iii. The processes for approving investments of SSBCI Funds under the state's SSBCI venture capital program.
2. A "**business partner**" of an SSBCI insider is a person who owns 10 percent or more of any class of equity interest, on a fully diluted basis, in any private entity in which an SSBCI insider also owns 10 percent or more of any class of equity interest on a fully diluted basis.

3. A “**family member**” of an SSBCI insider means:
 - a. Such person’s spouse, domestic partner, parents, grandparents, children, grandchildren, brothers, sisters, stepbrothers, and stepsisters; and
 - b. Any other relatives who live in the same household as the SSBCI insider.
4. An “**independent non-profit entity**” means any non-profit entity that is not state sponsored.
5. A “**personal financial interest**” means any financial interest derived from ownership or right to ownership of, or lending to or other investment in, a private, for-profit entity that may receive an SSBCI investment (including any financial interest derived from ownership or right to ownership of, or investment in, a venture capital Fund).
6. A “**state-sponsored non-profit entity**” is a non-profit entity created by state legislation to pursue policies of the state government and over which state officials exercise a controlling influence through budgetary decisions or other legislative action or direction.

Subject to the exceptions described below, SSBCI Funds may not be used by SSBCI venture capital programs to make or support investments in a company or venture capital Fund if an SSBCI insider, or a family member or business partner of an SSBCI insider, has a personal financial interest in the company or venture capital Fund. A prohibited conflict of interest is deemed to exist even if the conflict is disclosed or the relevant individuals recuse themselves from participating in the investment. Further, accepting a role as an SSBCI insider does not require a person to divest financial interests in a company or venture capital Fund resulting from previous employment or personal investment activity. However, if a person is an SSBCI insider, any company or venture capital Fund in which the insider has a personal financial interest is prohibited from receiving investments or financial support from SSBCI Funds. Exceptions to the general prohibition are as follows:

1. A governmental entity or a state-sponsored non-profit entity may use SSBCI Funds for follow-on investments in companies or venture capital Funds if the entity has an existing ownership or voting interest resulting from a prior investment of SSBCI Funds or non-SSBCI Funds. Furthermore, in this circumstance, the entity may authorize investments if an SSBCI insider serves on the board of directors of the company or venture capital Fund, if an SSBCI insider does not have a personal financial interest in the company or venture capital Fund and the entity’s prior financial interest is in compliance with all applicable state laws and rules.
2. An independent non-profit or for-profit entity managing or investing SSBCI Funds for an SSBCI venture capital program is not precluded from authorizing follow-on investments using SSBCI Funds in a company or venture capital Fund in which the entity previously invested SSBCI Funds or the entity has previously appointed a representative to serve on the board of directors in stewardship of the investment. However, such independent nonprofit or for-profit entity may not authorize (or seek approval from the participating state for) an investment of SSBCI Funds in a company or venture capital Fund in which the entity holds any type of financial interest resulting from an investment made with non-SSBCI Funds.

By signing this certification, I certify to the above statements are true and accurate.

Fund Name

Name and Title

Signature

Date

Form 7: Certifications Relating to Sex Offenses

Under the State Small Business Credit Initiative (SSBCI), investors and investees are required to certify that their principals have not been convicted of a sex offense against a minor.

Legal name of investor or investee : _____

The investor or investee hereby certifies the following:

No principal of the entity listed above, has been convicted of a sex offense against a minor (as such terms are defined in 34 U.S.C. § 20911).

For the purposes of this certification, “principal” is defined as if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds 50 percent or more ownership interest of any class of the partnership interests; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 50 percent or more of any class of equity interest in the entity; and if a partnership where the managing partner is a corporation, limited liability company, association, development company, or other entity, each director and each of the five most highly compensated executives or officers of the entity.

It is required that a Fund Manager is required to obtain the above certification for all businesses/investees that will receive the benefit of SSBCI Funds through a venture capital program.

As the authorized representative of the investor or investee, I certify to the above statements by signing this document.

Fund Name

Name and Title of the Authorized Representative (Printed)

Signature of the Authorized Representative of the Fund

Date