

SMALL BUSINESS INVESTEE CERTIFICATION FOR USE OF PROCEEDS

These assurances reference Section 3005(e)(7) and Section 3011(c)(2) of the Small Business Jobs Act of 2010.

Legal name of borrower or investee: _____

The borrower or investee hereby certifies the following to the lender or investor:

1. The investment proceeds will be used for a “business purpose.” Business purpose includes, but is not limited to, startup costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. The definition of business purpose excludes: activities that relate to acquiring or holding passive investments, such as commercial real estate ownership and 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. The loan or investment proceeds will not be used to:

- repay a delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or
- repay taxes held in trust or escrow, e.g. payroll or sales taxes; or
- reimburse funds owed to any owner, including any equity injection or injection of capital for the business’ continuance; or
- to purchase any portion of the ownership interest of any owner of the business.

3. The borrower or investee is not:

- an executive officer, director, or principal shareholder of the lender; or
- a member of the immediate family of an executive officer, director, or principal shareholder of the lenders; or
- a related interest of any such executive officer, director, principal shareholder, or member of the immediate family.

For the purposes of these three restrictions, the terms “executive officer”, “director”, “principal shareholder”, “immediate family”, and “related interest” refer to the same relationship to a lender as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

4. The borrower or investee is not:

- a business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as 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
- a business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institutions; or
- 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; or
- 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
- a business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

Legal Name: _____

By: _____
Authorized Signatory

Name: _____

Title: _____

Date: _____

LENDER/INVESTOR CERTIFICATION FOR USE OF PROCEEDS

This Assurance is referenced by Section 3005(e)(7) of the Small Business Jobs Act of 2010.

Legal name of lender or investor: _____

The Lender/Investor hereby certifies to the Municipality of Anchorage the following:

1. The loan or investment has not been made in order to place under the protection of the approved municipal program prior debt that is not covered under the approved municipal program and that is or was owed by the borrower to the lender or to an affiliate of the lender.
2. The loan or investment is not a refinancing of a loan or investment previously made to that borrower by the lender or an affiliate of the lender.
3. The lender is not attempting to enroll the unguaranteed portions of SBA-guaranteed loans.
4. The investment complies with the conflict of interest rules set forth in the National Standards for Compliance and Oversight.

Legal Name: _____

By: _____

Authorized Signatory

Name: _____

Title: _____

Date: _____

SEX OFFENDER CERTIFICATION FORM

This certification is required by Section 3011(c)(2) of the Small Business Jobs Act of 2010 from any private entity that receives a loan, a loan guarantee, or other financial assistance using funds received by a participating municipality under the State Small Business Credit Initiative.

Legal name of entity: _____

As required by Section 3011(c)(2) of the Small Business Jobs Act of 2010, the private entity hereby certifies to the participating municipality that the Principals of the private entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this Certification, Principal means the following: if a sole proprietorship, the proprietor; if a membership, each managing member and each member who is a natural person and holds a 20% or more ownership interest in the membership; and if a corporation, limited liability company, association or a development company, 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 20% or more of the ownership stock or stock equivalent of the entity. The undersigned acknowledges its ongoing responsibility to provide notice to the Municipality of Anchorage should this certification lapse, for example in the case of a) a current principal being convicted of such a crime, or b) a new principal of the firm having been so convicted.

Legal Name: _____

By: _____

Authorized Signatory

Name: _____

Title: _____

Date: _____