

SAMPLE BORROWER CERTIFICATION

The undersigned acknowledges that a participation interest (the "Participation") in the loan (the "Loan") for which it has applied from _____ (the "Lender") may be sold to CornerSquare Community Capital, LLC ("CornerSquare"). The Lender will continue to handle and service the entire Loan and all payments will be made to the Lender. In order to induce CornerSquare to purchase a Participation in the Loan, the undersigned agrees and certifies to the Lender and CornerSquare as follows:

1. The undersigned is ready to implement the project and has the financial ability to carry out the Project.

The undersigned Borrower (the "Borrower") acknowledges that the loan to be made by (Lender) _____ to the Borrower will be filed for enrollment by the Lender in the CornerSquare Loan Participation Program (the "Program"), a program established by CornerSquare;

The Borrower represents that:

(a) it is a Qualifying Borrower, meaning that it is a for-profit corporation, limited liability company, partnership, joint venture, sole proprietorship, state-designated charitable, religious, or other non-profit or charitable institution, consumer or marketing cooperatives, or faith-based organization having five hundred (500) or fewer employees that satisfies one or more of the following requirements (**please indicate if any of the following are applicable**):

it is at least 50 percent owned, controlled, and operated by U.S. residents who are African Americans, Hispanic American, Asian Pacific American, Native American, or Asian Indian American; or

it is at least 50 percent owned, controlled, and operated by U.S. residents who are women;

(b) The loan proceeds will be used for a "business purpose." A business purpose includes, but is not limited to, start-up 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, 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.

(c) The loan proceeds will not be used to:

(1) Repay a delinquent federal or state income taxes unless the Borrower has a payment plan in place with the relevant taxing authority; or

(2) Repay taxes held in trust or escrow, e.g. payroll or sales taxes; or

(3) Reimburse funds owed to any owner, including any equity injection or injection of capital for the business' continuance; or

(d) The Borrower is not:

(1) An executive officer, director, or principal shareholder of the Lender; or

(2) A member of the immediate family of an executive officer, director, or principal shareholder of the Lenders; or

(3) A related interest of such executive officer, director, principal shareholder, or member of the immediate family.

For the purposes of these three Borrower 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.

(e) The Borrower is not:

(1) 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

(2) A business that earns more than half of its annual net revenue from lending activities; or

- (3) 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
 - (4) 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
 - (5) A business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.
- (f) The Borrower authorizes the Lender to report to CornerSquare certain loan information as CornerSquare may reasonably require.

As to the Operating Company:

OWNERSHIP %: Male
 Female
 Non-binary

RACE: American Indian or Alaska Native
 Asian
 Black or African-American
 Native Hawaiian or Pacific Islander
 White

ETHNICITY: Hispanic or Latinx
 Not Hispanic or Latinx

VETERAN STATUS: Veteran
 Non-Veteran

Name of Borrower(s): _____

As to the Operating Company:

Name of Operating Company: _____

Primary Business Activity: _____

Annual Sales of Business in Last Fiscal Year: \$ _____

Year Business Established: _____

Total Full Time Employees *(2 half-time employees equals 1 full time employee):* _____

Estimated Jobs Created by this Loan: _____

Estimated Jobs Retained by this Loan: _____

Certification and Agreement

On behalf of the Borrower, the undersigned has executed and delivered this Borrower Certification as of

_____.

Borrower:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PLEASE NOTE: The Borrower Certification **must** be executed by: **A)** the Borrower(s), Individually; (and if applicable) **B)** by a Member(s), Manager(s), Owner(s) and/or President of the **Real Estate Holding Company** and **C)** by a Member(s), Manager(s), Owner(s) and/or President of the **Operating Company**. The reporting data is as to the Business/Operating Company only. Please attach separate signatures pages if needed.