

California Dream Fund Grant Program

For-Profit Applicant Certifications

In connection with the California Dream Fund Grant Program (the “Program”) funded by the State of California (the “State”) and administered by the California Office of the Small Business Advocate (“CalOSBA”) within the Governor’s Office of Business and Economic Development (“GO-Biz”) the undersigned, constituting an authorized representative of the below-referenced applicant business (“Applicant”), acknowledges and agrees, on behalf of Applicant, that the State, CalOSBA, GO-Biz and B.S.D. Capital, Inc. dba Lendistry (“Lendistry”), as the designated intermediary of the Program, each may rely on the below certifications in determining Applicant’s eligibility for the Program and receipt of all or any portion of a grant award (a “Grant Award”) under the Program.

The undersigned further acknowledges and agrees that if: (i) any of the following certifications are untrue; (ii) Applicant knowingly makes any false or misleading statement or material omission in the information or materials required or requested from the Applicant; or (iii) Applicant uses any resulting Grant Award for any unauthorized purpose, the State, CalOSBA, GO-Biz and/or Lendistry may require Applicant to repay such Grant Award or take any other legal or equitable recourse available, including, without limitation, by seeking remedies for fraud.

By executing this document, Applicant hereby certifies to all of the following (please initial next to each of the certifications below):

- ___ **1.** The undersigned signatory is a duly authorized representative and owner of the Applicant and has full authority to make the certifications referenced herein on the Applicant’s behalf.

- ___ **2.** Applicant represents and warrants that it meets or, upon receipt of the full Grant Award will meet, all eligibility requirements under the Program, including without limitation the following:
 - (a)** Applicant meets or will meet the definition of a “small business” pursuant to Program guidelines, meaning that Applicant is a business with five (5) employees or less and one million dollars (\$1,000,000) or less in average annual receipts.

 - (b)** Applicant has registered its business or, in the case of an Applicant that is a sole proprietor, has obtained a business license in the state of California after July 1, 2019.

 - (c)** Applicant meets or will meet all of the following “New Business Start” conditions (as verified by a Small Business Technical Assistance Center (“SB TAEP Center”)):
 - (i)** Applicant has completed the Dream Fund participant training program; and

 - (ii)** Applicant has obtained the necessary licenses and permits to operate its business; and

 - (iii)** Applicant has established a physical location in the state of California for its business; and

 - (iv)** Applicant has completed one or more of the following:
 - (1)** Applicant has made a first sale of goods or services; and/or

 - (2)** Applicant has hired at least one (1) employee; and/or

 - (3)** Applicant has created a business banking relationship, meaning Applicant has opened an account for business purposes; and/or

(4) Applicant has expended funds on business expenses, which may include legal and accounting fees; and/or

(5) Applicant has obtained third-party or owner capital for the business.

- ___ **3.** If a Grant Award is received by Applicant, such Grant Award will be used only to cover one or more of the following eligible costs and expenses of Applicant:
- (a)** employee expenses including payroll costs, health care benefits, paid sick, medical, or family leave, and insurance premiums;
 - (b)** costs associated with certifying and establishing the business with the State of California including all necessary permits and licenses;
 - (c)** working capital and overhead, including rent, utilities, mortgage principal and interest payments (excluding mortgage prepayments), and debt obligations (including principal and interest) incurred after July 1, 2019 (i.e., in order to be an eligible debt obligation, the loan agreement, promissory note, etc., as applicable, must have been entered into after July 1, 2019);
 - (d)** application for, or renewal of, a local permit including, but not limited to, a permit to operate as a sidewalk vendor;
 - (e)** investment in inventory; and/or
 - (f)** fees related to business operations and business formation not included in Excluded Expenses.
- ___ **4.** If a Grant Award is received by Applicant, no portion of the Grant Funds will be used for any purposes other than those listed in (3) above. Specifically, no portion of the Grant Funds will be used for the following costs and/or expenses (collectively, "Excluded Expenses"): (a) human resource expenses for the State share of Medicaid; (b) employee bonuses or severance pay; (c) tax payments; (d) legal settlements; (e) personal expenses or other expenses unrelated to the business; (f) expenses for repairs from damage covered by applicable insurance; or (g) reimbursement to donors for donated items or services. Applicant acknowledges and agrees that if all or any portion of a Grant Award is used for any unauthorized purpose, the State may hold the undersigned, Applicant, and/or any other owner thereof legally liable, including, but not limited to, liability for possible charges of fraud.
- ___ **5.** Applicant acknowledges and agrees that Applicant is not one or more of the following types of businesses deemed ineligible to receive a Grant Award under the Program:
- (a)** a government entity (other than an entity owned and/or operated by a Native American tribe) or elected official office;
 - (b)** a business primarily engaged in political or lobbying activities;
 - (c)** a passive business, investment company or investor who files a Schedule E on its tax returns;
 - (d)** a church or other religious institution, other than a school, child care, or other educational business affiliated with a church or other religious institution where (i) greater than 50% of the gross annual revenue (as reflected on the entity's most recent federal tax return (2019)) is derived from the school, child care facility or other educational business and (ii) the grant funds will be used only for eligible costs and

expenses directly related to the school, child care, or other educational business, and no portion of the Grant Award will be used for any normal profit or overhead of the church or other religious institution;

- (e)** a financial business primarily engaged in the business of lending, such as a bank, finance company or factoring company;
- (f)** a business engaged in any activity that is illegal under federal, state or local law;
- (g)** a business of a prurient sexual nature, including a business which presents live performances of a prurient sexual nature or a business which derives directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature;
- (h)** a business engaged in any socially undesirable activity or activity that may be considered predatory in nature such as rent-to-own businesses or check cashing businesses;
- (i)** a business that restricts patronage for any reason other than capacity, specifically any business that illegally discriminates patronage;
- (j)** a speculative business, meaning a business for the sole purpose of purchasing and holding an item until the market price increases or other business principally engaged in risky activity for the chance of an unusually large profit, including but not limited to, (i) oil wildcatting, (ii) dealing in stocks, bonds, commodity futures, and other financial instruments and (iii) mining gold or silver in other than established fields;
- (k)** a business that is affiliated (as such term is defined in 13 C.F.R. § 121.103) with another Applicant;
- (l)** a business, franchise or location of which the undersigned or any other owner of the Applicant has already applied for and received a grant under the Program;
- (m)** a publicly traded corporation, or a business majority owned and controlled by a publicly traded corporation; or
- (n)** a business that does not have (1) multiple clients providing income to the business as demonstrated by multiple W-9 forms, invoices, purchase orders or (2) a business plan clearly stating a pathway to obtaining multiple clients and/or creating two (2) or more jobs.

____ **6.** Applicant understands that it is ineligible to receive a Grant Award under the Program if any owner of greater than 10% of the equity interest in Applicant:

- (a)** has within the prior three-years been convicted of or had a civil judgment rendered against such owner, or has had commenced any form of parole or probation (including probation before judgment), for:
 - (i)** commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction,
 - (ii)** violation of federal or state anti-trust or procurement statutes, or
 - (iii)** commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or

(b) is presently indicted for or otherwise criminally or civilly charged by a government entity, (federal, state or local) with commission of any of the offenses enumerated in subparagraph (a) above.

- _____ 7. Applicant has not and will not apply for or receive any other grant funds through or under the Program. Further, no owner of Applicant has applied for or received, nor will any owner of Applicant apply for or receive, any other grant through or under the Program on behalf of any other business for which such person is also an owner. Applicant agrees that if a second award is issued, then one or both awards will be voidable at the discretion of the State, CalOSBA, GO-Biz and/or Lendistry, as applicable.
- _____ 8. The undersigned, on behalf of Applicant, hereby authorizes the State and its designated authorized representatives, including without limitation CalOSBA, GO-Biz and Lendistry, to request access to, and to review, Applicant, Applicant's tax return information, if any, and other information related to Applicant and its owners that may be requested by such representatives, which may include an investigatory background check of Applicant and/or its owners. Applicant acknowledges that Lendistry will confirm Applicant's eligibility for the Program and the eligible Grant Award thereunder based, in part, on any documents provided by Applicant, including any tax return(s) provided, and that the State, CalOSBA and GO-Biz may rely on such confirmation and documents in making a Grant Award to Applicant. Applicant further affirms that any tax return information provided in connection with the Program is identical to the applicable tax return information submitted to the Internal Revenue Service. Applicant understands, acknowledges and agrees that the State and its authorized representatives, including without limitation CalOSBA, GO-Biz and Lendistry, may share any such information with local, state and federal authorized representatives, including without limitation for the purpose of compliance with federal, state, or local laws and regulations.
- _____ 9. Any and all information provided by or on behalf of Applicant, including without limitation the information contained in Applicant's grant application submitted for the Program and any and all information provided in support of Applicant's application under the Program is and will be true and accurate in all material respects, including without limitation the North American Industry Classification System code(s) identified in the Applicant's application accurately reflects the classification of industry(ies) in which Applicant operates.
- _____ 10. Applicant acknowledges that the State of California, CalOSBA, GO-Biz and Lendistry are each relying upon the certifications made in this document in addition to any other certifications made by Applicant in connection with its application for, and participation in, the Program. Applicant further acknowledges and agrees that all certifications made by Applicant in connection with the Program are made in good faith.
- _____ 11. Applicant acknowledges and agrees that Applicant's receipt of a Grant Award under the Program is subject to, and conditioned upon the satisfaction of certain requirements, including without limitation, successful submission of Applicant's application, execution of this Applicant Certification, Applicant's satisfaction of all eligibility requirements for the Grant Award, execution of a Grantee Agreement between Applicant and the State, and Applicant's receipt of applicable grant funds. Applicant further acknowledges that Applicant's potential selection to move forward in the Program does not mean that Applicant will be determined to receive a Grant Award under the Program.

Signature

Date

Print Name

Title

Applicant Business Name

EIN / SSN / ITIN

Applicant Business Address