

EXHIBIT B

LENDER ASSURANCES

With respect to any Loan that the Lender files for enrollment under this SSBCI-CAP Agreement, each and every time the Lender seeks to enroll any Loan under SSBCI-CAP, the Lender shall make the following representations and warranties to the MSF by returning a fully finalized and executed form of this Exhibit:

LENDER ASSURANCES

In connection with that certain loan from _____ (“Lender”) to _____ (“Borrower”), dated _____ (“Loan”), and in furtherance of pursuing enrollment of such Loan in the State Small Business Credit Initiative (“SSBCI”), Capital Access Program (“SSBCI-CAP”) operated by the Michigan Strategic Fund (the “MSF”), and as further required by the SSBCI CAP Agreement between Lender and the MSF, originally dated _____, and as amended by that First Restated Amendment dated _____, and as such may have been amended from time to time thereafter (“SSBCI CAP Agreement”), for the benefit of the MSF, the Lender represents and warrants to the MSF:

A. STATE OF MICHIGAN REQUIREMENTS

1. **Auditor General, etc.** To ensure compliance with the terms of this SSBCI-CAP and the Michigan Strategic Fund Act, MCL125.2001 et. seq.:
 - (a) the Lender shall permit the Auditor General of the State of Michigan (the “Auditor General”), the MSF, the MEDC, and the Chief Compliance Officer of the MSF (the “CCO”), and any representative, member, employee or agent of the foregoing to visit the Lender and any other location where the books and records of the Lender are normally kept to inspect the books and records, including financial records and all other information and data, relevant to the Loan, all Loan documents and the terms of the SSBCI-CAP;
 - (b) the Lender shall permit the Auditor General, the MSF, the CCO, and any member, employee or agent of the foregoing to make copies or extracts from information and to discuss the affairs, finances and accounts of the Lender and Borrower related to the Loan, all Loan Documents and the Lender’s SSBCI-CAP Agreement; and
 - (c) the Lender shall cooperate with the CCO, if contacted.

This Section shall survive for a period of three years after the termination of the SSBCI CAP Agreement.

2. **Criminal and Civil Matters.** To the best of Lender’s knowledge, neither Lender nor any of its affiliates, subsidiaries, officers, directors and any person who, directly or indirectly, holds a pecuniary interest in the Lender of 20% or more: (i) have any criminal convictions incident to the application for or performance of a state contract or subcontract, and (ii) have any criminal convictions or have been held liable in any civil proceeding that negatively reflects on the person’s business integrity, including without limitation, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or violation of state or federal antitrust statutes.
3. **Indemnification and Hold Harmless.** The MSF, the State of Michigan, the CCO, the MEDC, its Executive Committee and their respective directors, participants, officers, agents

and employees (collectively, the "Indemnified Person(s)") shall not be liable to the Lender for any reason arising out of or related in any way to the Loan, any Loan Documents, SSBCI, or the SSBCI CAP Agreement. The Lender shall indemnify and hold the MSF, the State of Michigan, and the MEDC and other Indemnified Person harmless against all claims asserted by or on behalf of any individual person, firm or entity (other than an Indemnified Person), arising or resulting from, or in any way connected with, the Loan, any Loan documents, the SSBCI CAP Agreement or any act or failure to act by the Lender, including all liabilities, costs and expenses, including reasonable counsel fees, incurred in any action or proceeding brought by reason of any such claim. The Lender shall also indemnify the MSF, the MEDC and other Indemnified Person from and against all costs and expenses, including reasonable counsel fees, lawfully incurred in enforcing any obligation of the Lender arising from or under the Loan, any Loan documents or the SSBCI CAP Agreement. The Lender shall have no obligation to indemnify an Indemnified Person under this Section if a court with competent jurisdiction finds that the liability in question was solely caused by the willful misconduct or gross negligence of the MSF, the MEDC or other Indemnified Person, unless the court finds that despite the adjudication of liability, the MSF, the MEDC or other Indemnified Person is fairly and reasonably entitled to indemnity for the expenses the court considers proper. The MSF, the MEDC and the Lender agree to act cooperatively in the defense of any action brought against the MSF, the MEDC or another Indemnified Person to the greatest extent possible. Performance of the Lender's activities contemplated under the SSBCI CAP Agreement is within the sole control of the Lender and its employees, agents and contractors, and an Indemnified Person shall have no liability in tort or otherwise for any loss or damage caused by or related to the actions or failures to act, products and processes of the Lender, its employees, agents or contractors. This Section shall survive termination of the SSBCI CAP Agreement indefinitely.

4. **Jurisdiction.** The Lender agrees that it shall make a good faith effort to resolve any controversies that arise regarding the SSBCI CAP Agreement. If a controversy cannot be resolved, the Lender agrees that any legal actions concerning the SSBCI CAP Agreement shall be brought in the Michigan Court of Claims or, as appropriate, Ingham County Circuit Court in Ingham County, Michigan. This Section shall survive termination of the SSBCI CAP Agreement indefinitely.
5. **Disclosure to the Borrower.** The Lender has disclosed to the Borrower information concerning the SSBCI CAP, including the use of SSBCI funds to enhance the extension of Lender's credit to Borrower, and the information set forth on Exhibit 2 to the SSBCI CAP Agreement, as such information may be modified upon written notice to Lender by the MSF Fund Manager from time to time.
6. **Compliance with laws.** The Lender has complied with all federal and state laws, rules and regulations pertaining to the making of the Loan.

B. FEDERAL REQUIREMENTS

1. **Qualified Financial Institution.** The Lender is a "Financial Institution". Financial Institution means any insured depository institution, insured credit union, or community development financial institution, as those terms are each defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702).
2. **Patriot Act.** The Lender shall perform all of its obligations and duties as required under the Patriot Act of 2001, as amended, including without limitation, the provisions relating to the Customer Identification Program (CIP) and anti-terrorism, and the MSF may so rely on the Lender's performance of any such requirements, including that the Lender is in compliance

with the requirements of 31 CFR 103.121 (relative to anti-money laundering programs); and Lender acknowledges the aforesaid obligations and duties, and further certifies it is in compliance thereunder, including relative to implementation of reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable, maintain records of the information used to verify a person's identity and determine whether the person appears on any lists of known or suspected terrorist organizations provided to the Lender by any government agency.

3. **Treasury Inspector General.** The Lender shall make available to the Treasurer Inspector General all books and records related to the Loan subject to the Right to Financial Privacy Act, 12 U.S.C § 3401, et. seq.), including detailed Loan records. In accordance with SSBCI guidelines, this Section shall survive until September 27, 2017.
4. **Borrower Size.** The Loan has not been extended to support any Borrower that has more than 500 employees.
5. **Purpose of the Loan.**
 - a) **CHECK AS APPLICABLE:**
 1. _____ The Loan has not been made to finance a Passive Real Estate Investment of the Borrower; or
 2. _____ The Loan has been made to finance a Passive Real Estate Investment of the Borrower but only to the extent Borrower is a real estate holding company using the proceeds of the Loan for Passive Real Estate Investment to acquire and hold real or personal property and subsequently leasing the real or personal property to _____ an operating company related to Borrower ("Operating Company"), and in the case of such exception, the Lender represents and warrants the following:
 - a. The Operating Company is a co-borrower or a guarantor of the Loan, as applicable;
 - b. Both the Borrower and the Operating Company have executed all required certifications, including those contained on Exhibit B and Exhibit C, as applicable;
 - c. Each natural person holding an ownership interest constituting at least twenty percent (20%) of the Borrower and the Operating Company has provided a personal guaranty in favor of the Lender for the Loan; and
 - d. Borrower and Operating Company have a written lease with a term at least equal to the term of the Loan, including options to renew exercisable solely by Operating Company.
 - b) The Loan has not been made in order to place under the protection of the approved SSBCI-MCSP prior debt that is not covered under the approved SSBCI-MCSP and that is or was owed by the Borrower to the Lender or to an affiliate of the Lender;
 - c) The Loan is not a Refinancing of a loan previously made to the Borrower by the Lender or an affiliate of the Lender;
 - d) The Loan is a new extension of credit to the Borrower, and shall not be used to support existing extensions of credit – including but not limited to prior loans, lines of credit or other borrowing – that were previously made available as part of a state small business credit enhancement program;

- e) The Loan is not to pay any person to influence or attempt to influence any agency, elected official, officer or employee of a state or local Government in connection with the making, award, extension, continuation, renewal, amendment, or modification of any State or Local Government contract, grant, loan or cooperative agreement as such terms are defined in 31 U.S.C. §1352;
 - f) The Loan is not to pay any costs incurred in connection with (i) any defense against any claim or appeal of the United States Government, any agency or instrumentality thereof (including the US Department of Treasury), against the State of Michigan, or (ii) any prosecution of any claim or appeal against the United States Government, any agency or instrumentality thereof (including the US Department of Treasury), which the State of Michigan instituted or in which the State of Michigan has joined as a claimant;
 - g) The Loan does not exceed the principal amount of \$5 million; and
 - h) The Loan will not be used to pay the salary of any individual engaged in activities related to the SSBCI who has been officially disciplined for violations of subpart G of the Standards of Ethical Conduct for Employees of the Executive Branch for viewing, downloading, or exchanging pornography, including child pornography, on a Federal government computer or while performing official Federal Government duties.
6. **No Conviction of Sex Offense.** No principal of the Lender has 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” is defined as “if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity”.
7. **SBA loan.** No portion of the Loan shall represent any unguaranteed portion of an SBA-guaranteed loan without the MSF obtaining the express prior written consent of the US Department of Treasury.
8. **SSBCI Reporting.** The Lender shall cooperate with the MSF, the MEDC, and any of their representatives, and provide information necessary for the MSF, to provide reports and any other information required from time to time under the SSBCI, including any rules, guidelines and regulations which may be promulgated, or amended from time to time, including without limitation, no later than February 15 following each calendar year in which any part of the Loan was made and through February 15, 2017 (and at such other times as requested by the MSF for it to comply with US Department of Treasury and SSBCI requirements), the Lender shall provide the MSF with the following information for each such Loan, in such form as the MSF or the US Department of Treasury may from time to time prescribe:
- a) the census tract and zip code of the Borrower’s principal location in the State of Michigan;
 - b) the Lender’s Employer Identification Number (EIN);
 - c) the total principal amount of each such Loan loaned/authorized as a line of credit, and of that amount, the portion that is from non-private sources;

- d) the date of the initial disbursement of the Loan;
- e) the Borrower's annual revenues in its last fiscal year;
- f) the Borrower's Full Time Equivalent employees;
- g) the 6-digit North American Industry Classification System (NAICS) code for the Borrower's industry;
- h) the year the Borrower was incorporated or, as applicable, organized;
- i) the estimated number of jobs created or retained as a result of each Loan;
- j) the amount of additional private financing occurring for or on behalf of the Borrower after the closing of the Loan Documents; and
- k) as may be requested by the MSF from time to time, any other information from time to time required by the MSF or under the SSBCI, including any rules, guidelines and regulations, which may be promulgated, or amended thereunder.

In accordance with SSBCI guidelines, this Section shall survive until September 27, 2017.

LENDER:

(Printed Name of Lender)

By: _____
(Signature of Authorized Representative)

(Printed Name Authorized Representative)

(Title of Authorized Representative)

Date: _____