

California Small Agricultural Business Drought and Flood Relief Grant Program For-Profit Applicant Certifications

In connection with the California Small Agricultural Business Drought and Flood Relief Grant Program (the "Program") funded by the Office of the Small Business Advocate ("CalOSBA") within the California Governor's Office of Business and Economic Development ("GO-Biz"), the undersigned, constituting an authorized representative of the below-referenced applicant business (the "Applicant"), acknowledges and agrees, on behalf of the Applicant, that 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 the Applicant's eligibility for the Program and receipt of a grant under the Program.

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

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

- ___ 1. The undersigned signatory: (a) is at least eighteen years old, (b) is a duly authorized representative of the Applicant, and (c) has full authority to make the certifications referenced herein on the Applicant's behalf.
- ___ 2. The Applicant represents and warrants that the Applicant meets all of the eligibility requirements for the Program, including but not limited to, that the Applicant meets the definition of a "qualified small business" pursuant to California Government Code section 12100.101(h)(1).
- ___ 3. The Applicant is currently an active, operating business that has been operating since before January 1, 2020. The Applicant acknowledges and agrees that if the Applicant receives a grant under the Program and Applicant's business ceases to operate permanently, the Applicant may be subject to return of all or any portion of such grant.
- ___ 4. The Applicant represents and warrants it has been affected by severe drought according to the United States Department of Agriculture drought monitor.
- ___ 5. The Applicant had 100 or fewer full-time employees in the 2022 taxable year, and will have 100 or fewer full-time employees in the 2023 taxable year. The Applicant acknowledges that, for the purposes of this Program, "full-time employee" has the same meaning as subdivision (c) of Section 515 of the California Labor Code.
- ___ 6. The Applicant experienced a decline in annual gross receipts or gross profits of thirty percent (30%) or more when comparing the 2022 taxable year to the 2019 taxable year.

- _____ **7.** The Applicant represents and warrants that operates in an industry most impacted by severe drought, and that the North American Industry Classification System (NAICS) code provided in its application accurately reflects the industry in which it operates.
- _____ **8.** If a grant is received by the Applicant, such grant funds will be used only for costs to maintain the Applicant's business through the drought, including the following:
- (a) Employee expenses, including payroll costs, health care benefits, paid sick, medical, or family leave, and insurance premiums.
 - (b) Working capital and overhead, including rent, utilities, mortgage principal, and interest payments, but excluding mortgage prepayments, and debt obligations, including principal and interest, incurred before the onset of severe drought.
 - (c) Any other drought-related expenses not already covered through grants, forgivable loans, or other relief through state, county, or city programs.
- _____ **9.** If a grant is received by the Applicant, no portion of the grant funds will be used for any purposes other than that identified in Section 8 above. The Applicant acknowledges and agrees that if all or any portion of the grant funds are used for any unauthorized purposes, the State of California may hold the undersigned, the Applicant, and/or any owner thereof legally liable, including, but not limited to, liability for possible charges of fraud.
- _____ **10.** The Applicant acknowledges and agrees that the Applicant is not one or more of the following types of businesses deemed ineligible to receive a grant under the Program:
- (a) Businesses without a physical presence in the State of California.
 - (b) Government entities, other than Native American tribes, or elected official offices.
 - (c) Businesses primarily engaged in political or lobbying activities.
 - (d) Passive businesses, investment companies, and investors who file a Schedule E on their tax returns.
 - (e) Financial institutions or businesses primarily engaged in the business of lending, such as banks, finance companies, and factoring companies.
 - (f) Businesses engaged in any activity that is unlawful under federal, state, or local law.
 - (g) Businesses that restrict patronage for any reason other than capacity.
 - (h) Speculative businesses.
 - (i) Businesses with any owner of greater than 10 percent (10 %) of the equity interest in it who meets one or more of the following criteria:
 - (i) The owner has, within the prior three years, been convicted of or had a civil judgment rendered against the owner, or has had commenced any form of parole or probation, including probation before judgment, for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local public transaction or contract under a public transaction, violation of federal or state antitrust or procurement statutes

or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

(ii) The owner is presently indicted for or otherwise criminally or civilly charged by a federal, state, or local government entity, with commission of any of the offenses listed in clause (i) above.

(j) Affiliated companies, as defined in Section 121.103 of Title 13 of the Code of Federal Regulations, as it read on August 1, 2022.

(k) Businesses that have previously received a grant under the Program. Under this Program, businesses may apply for and receive up to one grant related to drought impacts AND one grant related to storm flooding impacts.

_____ **11.** The Applicant has not applied for, and will not apply for or receive, additional drought grants through or under the Program, even if the Applicant has multiple business entities, franchises, and/or locations. Further, no owner of the Applicant has applied for, received, or will apply for or receive, additional drought under the Program on behalf of any other business for which such person is also an owner. The Applicant agrees that if a second award is issued for drought impacts, then all Program grant awards to the Applicant, including any grant related to storm flooding impacts under the Program, will be voidable at the discretion of the CalOSBA, GO-Biz, and/or Lendistry, as applicable. Notwithstanding the forgoing, the Applicant acknowledges that if it is denied a grant award under one group of the Program's drought impact grants, the Applicant may apply for a grant award under a second group of Program drought impact grants, provided the Applicant meets all eligibility requirements of such second group.

_____ **12.** The undersigned, on behalf of the Applicant, hereby authorizes the State of California and its designated authorized representatives, including without limitation CalOSBA, GO-Biz, and Lendistry, to request access to, and to review, the Applicant, the Applicant's tax, payroll, and other information related to the Applicant and its owners that may be requested by such representatives, which may include an investigatory background check of Applicant or its owners. The Applicant acknowledges that Lendistry will confirm the Applicant's eligibility for the Program and the eligible grant amount thereunder based, in part, on the tax, payroll, and other documents provided by the Applicant, and the CalOSBA and GO-Biz may rely on such confirmation and tax and other documents in making a grant to the Applicant. The Applicant further affirms that the tax return information provided in connection with the Program is identical to the tax return information submitted to the Internal Revenue Service. The Applicant understands, acknowledges and agrees that the State of California and its authorized representatives, including without limitation CalOSBA, GO-Biz, and Lendistry, may share such tax information and other documentation with local, state, and federal authorized representatives, including without limitation for the purpose of compliance with federal, state, or local laws and regulations.

_____ **13.** The Applicant certifies that all the representations, warranties, certifications, and acknowledgements contained in these Applicant Certifications, and that any and all information provided by or on behalf of the Applicant, including without limitation the information contained in the Applicant's online application form and in the Applicant's supporting documentation is and will be true and accurate in all material respects.

_____ **14.** The Applicant acknowledges that CalOSBA, GO-Biz, and Lendistry are each relying upon the certifications made in this document in addition to any other certifications made by the Applicant in connection with its application for the Program. Applicant further acknowledges and agrees that all certifications made by Applicant in connection with the Program are made in good faith.

Signature

Date

Print Name

Title

Applicant Business Name

EIN

Applicant Business Address