

Exhibit 1

Borrower Use of Proceeds and Conflict of Interest Certification

Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

Legal name of borrower or investee : _____

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

1. The loan or investment proceeds will be used solely for a business purpose. A business purpose includes, but is not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. SSBCI funds may be used to purchase any tangible or intangible assets except goodwill. The term "business purpose" excludes acquiring or holding passive investments in real estate; the purchase of securities except as permitted in certification 2.d below; and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7))).
2. The loan or investment proceeds will not be used to:
 - a. repay delinquent federal or jurisdiction income taxes unless the borrower or investee has a payment plan in place with the relevant taxing authority;
 - b. repay taxes held in trust or escrow (e.g., payroll or sales taxes);
 - c. reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; or
 - d. purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.
3. The borrower or investee is not:
 - a. a business engaged in speculative activities that profit from fluctuations in price, 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 through normal course of trade;
 - b. a business that earns more than half of its annual net revenue from lending activities, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;
 - c. 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;
 - d. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this

includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business’s intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure (SOP) 50 10 6;² or

- e. a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business.³ For purposes of Tribal SSBCI programs, “gaming activities” includes only “class II gaming” and “class III gaming” as these terms are defined under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.

For a borrower participating in a loan/credit program:

- 4. The borrower is not:
 - a. an executive officer, director, or principal shareholder of the lender;
 - b. a member of the immediate family of an executive officer, director, or principal shareholder of the lender; or
 - c. a related interest or immediate family member of such an executive officer, director, or principal shareholder of the lender.

For the purposes of the above conflict of interest certification, the terms “executive officer,” “director,” “principal shareholder,” “immediate family,” and “related interest” refer to the same relationship to the lender as the relationships described in 12 C.F.R. part 215.

For an investee participating in a venture capital/equity program:

- 5. The investee is compliant with the venture capital program conflict of interest standards set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines. Briefly, these standards provide that no SSBCI insider, or a family member or business partner of an SSBCI insider, has a personal financial interest in the investee unless an exception specified in Section VIII.f of the SSBCI Capital Program Policy Guidelines applies. The terms “SSBCI insider,” “family member,” “business partner,” and “personal financial interest” have the meanings set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines.

If an exception applies, it must be specified here: _____

The undersigned is an authorized representative of the borrower or investee.

Signature: _____

Name: _____

Title: _____

Date: _____