

## Checklist for Equity Pledge Loan Policy Application

The following checklist lists the items necessary for UCCPlus to underwrite and issue a “typical” UCCPlus policy insuring equity interests pledged to a lender. It is intended to provide a general idea of what is required and not to be definitive. UCCPlus reserves the right to require any further documentation it deems necessary. The following documents must be provided to the Company **with sufficient time to permit review** before the date of funding.

Each of the items described in **BOLD** below is a critical underwriting item and UCCPlus needs to see these items as early in the transaction as possible. Prior to closing, drafts of all items are acceptable.

### I. To obtain a draft UCCPlus Policy:

- a. Application for Insurance;
- b. **Security agreement or other document containing the grant of the security interest** in all interests being pledged (the “Pledged Interests”);
- c. Loan agreement;
- d. **The complete (including all prior versions, even if superceded) operating documents (by-laws, limited liability company agreements, etc.) for each entity in which interests are being pledged (each a “Collateral Entity”). If the interests of the Collateral Entity are securities or will be securities under Article 8, the “opt-in” to Article 8 must be contained in the operating agreement.**

### II. To obtain a pro-forma UCCPlus Policy (suitable for closing):

- a. All of the items in I above;
- b. **All certificates and powers currently issued by any Collateral Entity;**
- c. **All certificates and powers to be issued (must be completed and numbered) by any Collateral Entity (if we have not received any other cancelled or to be cancelled certificates, all certificates MUST be numbered 1.)**
- d. **All cancelled (must be properly cancelled) certificates and powers formerly issued by any Collateral Entity.**
- e. Promissory note;
- f. Current (“Current” means dated within 60 days of funding) Certified (“Certified” means by the appropriate state agency – typically the secretary of state) charter documents (Certified to be a complete copy of the record) for:
  - i. each entity pledging collateral to the lender, (each a “Pledgor”);
  - ii. each Collateral Entity;
- g. Current Certified good standing certificates, or equivalent for:
  - i. each Pledgor;
  - ii. each Collateral Entity;
- h. Current operating documents (by-laws, limited liability company agreements, etc) for each Pledgor and each Collateral Entity (if the interests of the Collateral Entity are securities or to be securities, the operating document of the Collateral Entity must contain a valid “opt-in” to Article 8);
- i. All resolutions/certificates/consents of Pledgor to enter into the subject transaction;
- j. **Certified UCC lien searches dated within 30 days of closing obtained from a national search company (CSC, NCR or CT Corporation, et al) on:**
  - i. each Pledgor;
  - ii. **any owner of the Pledged Interests, other than the Pledgor, in the ten years prior to funding;**
- k. UCC-1 financing statement(s) in form suitable for filing. To be suitable for filing, the financing statement must be completed properly with debtor and secured party information matching the security agreement and organizational documents and must state the collateral covered with specificity. **If the financing statement is to cover “All Assets”, the security agreement must specifically authorize the secured party to file a financing statement on “All Assets”;** and
- l. Escrow letter, if any, that shows any UCCPlus obligations.

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### III. To obtain the final UCCPlus Policy:

- a. All of the items described in I and II above;
- b. Executed and dated copies of I(b), I(c), I(d), II(b) or II(c), II(h) and II(i);
- c. Cancelled copies of II(b) if to be cancelled at the time of funding;
- d. Payment of all fees due to UCCPlus;
- e. Written email confirmation from lender or lender's counsel that:
  - i. The transaction closed and funded (must include the date);
  - ii. Lender has taken possession of the certificates and powers (II(b) or II(c)) endorsed in blank (including a statement where the certificates are being held);
  - iii. UCCPlus is authorized to file the financing statements; and
- f. UCC-1 filing acknowledgments.

### MODIFICATIONS FOR OTHER COMMON CIRCUMSTANCES:

1. Uncertificated transactions – II(b), II(c) and II(d) not required.
  - a. Additional item: post-filing searches showing the UCC filings to be of record prior to issuing the final UCCPlus Policy;
2. Individual Pledgors – II(f)(i), II(g)(i), II(h), II(i) not required.
  - a. Additional items:
    - i. Current state issued driver's license (or equivalent) for each Pledgor;
    - ii. Written confirmation of each of the Pledgor's residential addresses for the prior five years.
3. Trust (non-business) Pledgors – II(f)(i), II(g)(i), II(h), II(i) not required.
  - a. Additional items:
    - i. Complete copy of the trust (we cannot accept redacted or summarized versions);
    - ii. Lien searches on the name of the trust and the grantor/trustor;
    - iii. Current state issued driver's license (or equivalent) for the grantor/trustor;
    - iv. Written confirmation of the location of the trust;
    - v. UCC-1 financing statements to be filed on: (1) the name of the trust and; (2) the grantor/trustor (but with the trust box checked on the addendum).
4. If Pledgor of Collateral entity is formed within 60 days of funding – II(g) not required.
5. If Pledgor of Collateral entity is formed within 30 days of funding – II(j) not required