

**CEF SMALL BUSINESS LOAN POOL PROGRAM
GRANT AGREEMENT ADDENDUM**

Colorado Enterprise Fund (“CEF”) requests to update, change and clarify existing Grant Agreements that outline the administration and management of the existing revolving Small Business Loan Pool or Microloan Fund Programs (“Loan Pool Program” or “LPP”) operating on behalf of the City or County partner.

RECITALS

Whereas CEF (“Grantee”) entered into a grant agreement with **The City of Brighton, Colorado** (“Grantor”) on April 20, 2020 and subsequent agreements with the most recent on April 20, 2020 (collectively and together known as the “Grant Agreements”) to establish, grow and operate the Loan Pool Program for the area.

Whereas, the Grantee will continue to administer and operate the Loan Pool Program per the Grant Agreements, with the Purpose, General Objectives, Loan Pool Program structure, Promotion, Performance Period, Compliance Period, Events of Default, and Remedies and any other miscellaneous provisions, including previous investments, general loan programs and coaching services, to remain in full effect.

NOW, THEREFORE, Grantor agrees to the following changes, updates and affirmations provided in items 1.-5. below to the Grant Agreements, which shall supersede Grant Agreements as of the signature date, to include,

1. Grantor agrees that all Loan Pool Program loan losses shall be fully allocated to Grantee and that Grantor is not required to invest additional loan capital to the Loan Pool Program; and,
2. Grantor agrees to eliminate the maximum loan amount of the Loan Pool Program. Grantee will continue to provide loans through the Loan Pool Program that are generally less than, but not limited to, \$50,000; and,
3. Grantee shall contribute co-funding loan capital to the Loan Pool Program from sources other than funds provided by the Grantee, to be used as additional loan capital at a ratio of at least 1:1; and,
4. Grantor accepts Attachment A hereto, as Loan Pool Program eligibility and terms to serve as addendum to Grant Agreements; and,
5. Grantor agrees that Grantee shall provide:
 - a. Audited annual financial statements to the Grantor within 120 days of the end of the Grantee’s fiscal year;
 - b. Internally prepared interim financial statements (balance sheet and income statement) quarterly to Grantor within 45 days of each quarter end; and
 - c. Loan activity and impact reports to Grantor within 45 days of each quarter end. Quarterly Impact reports will generally include the

- i. most recent quarter lending activities for the Program Area including number and dollar value of loans originated and summaries of impacts thereof (such as jobs created, retained, borrower demographics, coaching hours), and
- ii. active portfolio summary by number of loans and dollar value and aging receivable, and
- iii. cumulative funds deployed of dollar and number of loans, jobs impacted, and summary of business sector, loan purpose and coaching hours and areas.

Acknowledgement and acceptance of the above statements,

The City of Brighton, Colorado

Name:
Title:

Date

ATTACHMENT A

ELIGIBILITY GUIDELINES

The purpose of the Loan Pool Program (“LPP”) is to provide access to capital in the form of small business and micro loans to small businesses or community organizations with annual gross revenues generally under two (\$2M) million dollars with generally less than 50 FTEs that cannot obtain financing through traditional sources, but are capable of sustaining a business operations and repaying debt, and are considered socially or economically disadvantaged for a variety of reasons.

- A. All loans made from the LPP will be to businesses with their primary locations within **City of Brighton** (“Program Area”).
- B. To be eligible for the LPP and receive a small business loan:
 - a. At the time of application and throughout the term of the loan, a business must have its primary office/headquarters or operations in the Program Area.
 - b. A business must file all standard Colorado Enterprise (CEF) application information and meet CEF’s standard underwriting criteria for the type and size of loan.
- C. Permitted and non-permitted uses of loan funds will follow CEF’s standard loan policy, which may include, but is not limited to:
 - a. Inventory purchase
 - b. Start-up expenses
 - c. Equipment purchase
 - d. Operations
 - e. Tenant finish and property improvements
 - f. Purchase of a business or franchise
- D. Term and Fees of Loans. The terms and fees of a business loan will follow terms offered on CEF products.
- E. Interest Rates. The interest rates charged will follow CEF standard interest rates and be determined based on market conditions, loan size and risk.
- F. Underwriting and Application Process. CEF will follow its standard underwriting and loan application process, and its standard Loan Policies, Guidelines and Procedures.