

## **EXHIBIT A**

### **LOAN ELIGIBILITY AND TERMS**

#### **Program Guidelines**

The City of Hudson has committed \$300,000 to a two-part loan program providing loan proceeds to a limited number of qualifying businesses that have been economically disadvantaged by the COVID-19 pandemic. All contributions of funds to the Program are made for the purpose of furthering economic development, preserving employment opportunities for Hudson residents, and preserving the operations of Hudson's small businesses during a time of need and emergency. The primary objective of the Program is to minimize long-term economic hardship to Hudson businesses that may result from the COVID-19 pandemic.

#### **Overview of Program**

Eligible businesses will be able to receive loan funds secured with a security agreement or promissory note from the program in order to assist those businesses with the financial impact of COVID-19.

The loan program will consist of two parts. Part A of the loan program will provide for perishable restocking with loan amounts not to exceed \$10,000 with a maximum allocation of \$200,000. Part B of the loan program will be for shuttered small business assistance in re-opening requirements with loan amounts not to exceed \$3,000 with a maximum allocation of \$100,000.

All complete applications will be evaluated for eligibility by the Hudson Community Improvement Corporation. The Hudson Community Improvement Corporation will award loans to businesses with completed applications generally based on the fit against the eligibility and additional loan criteria.

All loans made under the program are being made with the intent to provide immediate funding to small businesses to meet their business needs, to keep as many Hudson small businesses as possible in operation, and to retain as many jobs for Hudson residents as possible in light of the severe economic hardships brought by the COVID-19 pandemic.

#### **Eligibility Criteria**

Loans are available to small business located in the City of Hudson. To be eligible for loan proceeds, the applicant must have 20 or fewer full-time employees (or full-time equivalents) and total annual business revenue of \$2,000,000, or less, for the most current fiscal year-end. As an additional condition for eligibility, pursuant to Ohio Revised Code Section 1724, the Hudson Community Improvement Corporation shall not approve any application for a loan pursuant to this Program unless and until the person or entity applying for said loan shows that the person or entity has applied for the loan through ordinary banking or commercial channels and that the loan has been refused by at least one bank or other financial institution.

#### **Loan Details**

1. The loan interest rate is zero percent (0%). The term of the loan is up to 3 years and payments

may be deferred up to 3 years. If the borrower moves their business outside of the City, any outstanding balance becomes due and payable at that time.

### **Application and Award Process**

Businesses that wish to apply for a loan shall submit their application via an online application process provided for the program.

In the event an application is incomplete and/or the applicant fails to include all information required, the Hudson Community Improvement Corporation will notify the applicant by to inform them that they have provided an incomplete submission.

Upon approval by the Hudson Community Improvement Corporation, the business may be awarded a loan of up to \$10,000 if approved for Part A or a loan of up to \$3,000 if approved for Part B. Loans will be funded only to the extent that loan funds are available. Applicants will be notified of loan awards by the Hudson Community Improvement Corporation. Upon announcement of awards, recipients will enter into a loan agreement with the Hudson Community Improvement Corporation. The business must complete and sign the loan agreement and/or promissory note and any requested supporting documentation and return the same to the Hudson Community Improvement Corporation prior to disbursement of loan funds.

Nothing contained herein is intended to or shall act to obligate or bind, nor shall it be construed to obligate or bind, the City of Hudson and/or the Hudson Community Improvement Corporation to the Program, to make, award, or fund any loan to any entity whatsoever, and no entity shall have any claim, action, or cause of action against the City of Hudson for failure to make, award, or fund any loan. All determinations will be made at the discretion of the Hudson Community Improvement Corporation and in the spirit of meeting the objectives of this program. The decisions of the Hudson Community Improvement Corporation are final, not subject to appeal and fully within the discretion of the Hudson Community Improvement Corporation subject to whatever process modifications deemed necessary in the dispatch of their work to meet the guidelines of the program. An applicant who satisfies all requirements and/or conditions precedent to qualification for a loan pursuant to this Program is not guaranteed approval of their loan application and/or disbursement of loan funds. A statement to this effect shall be included in the agreement.