The entity ("Borrower") previously applied for and entered into a loan agreement to obtain a small business loan up to the amount of $10,000 (hereafter "the Funds") associated with the Emergency Small Business Loan Fund from the City of Arvada, a home rule municipal corporation of the State of Colorado ("City"). Borrower now seeks to apply for and convert the loan to a grant in accordance with the terms and conditions contained and referenced herein (hereafter "the Loan to Grant Conversion Agreement"). Should the Borrower’s application for a loan to grant conversion be approved, then the parties agree that the terms and conditions contained or referenced herein, including the attached terms and conditions, shall become the parties’ Loan to Grant Conversion Agreement.

PURPOSE The parties agree the Loan to Grant Conversion Agreement is for a public purpose, which is, among other things, to minimize the extreme financial hardships caused to Arvada by the COVID-19 pandemic. For additional information about the program’s purpose, please refer to the City of Arvada’s April 9, 2020 Executive Order Establishing An Emergency Small Business Loan Fund.

DISCLOSURE OF INFORMATION. Information submitted through this application is a public record and is subject to disclosure under the Colorado Open Records Act (CORA). Records relating to the amount distributed to Borrower and status of loan repayment will be released in accordance with the CORA. In addition, the City may be required to disclose information by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery.

MISREPRESENTATION. Borrower understands and agrees that a misrepresentation or omission made as part of or in connection with this application may be grounds for immediate payback in full of all amounts due and owing.

All applications must be submitted by October 1, 2020.

Borrower represents, warrants, and agrees that information submitted in this application is true and correct. In signing this application, Borrower further represents, warrants, and agrees that Borrower possess all authority necessary to bind Borrower to the Loan to Grant Conversion Agreement and all terms and conditions contained or referenced herein. Borrower acknowledges and understands that the submission of this application in no way guarantees that any loan will be converted into a grant, and does not bind the City in any way, unless and until the City approves the submitted application and provides Borrower with confirmation of a loan to grant conversion.

BY SIGNING BELOW, THE BORROWER CERTIFIES THAT BORROWER HAS READ, UNDERSTANDS, AND AGREES THAT BORROWER WILL BE BOUND BY THE TERMS AND CONDITIONS OF THE LOAN TO GRANT CONVERSION AGREEMENT DESCRIBED HEREIN AND ON THE WEBSITE LISTED ABOVE.
LOAN TO GRANT CONVERSION APPROVED IN THE AMOUNT OF $_____________

CITY OF ARVADA, COLORADO

Bryan Archer, Director of Finance, or
Ryan Stachelski, Director of Community and Economic Development
8101 Ralston Road
Arvada, CO 80002
CITY OF ARVADA EMERGENCY SMALL BUSINESS LOAN FUND
LOAN TO GRANT CONVERSION
ADDITIONAL TERMS, CONDITIONS AND AGREEMENT

PURPOSE. The City has received funds from the United States Government, directly or via other government entities, under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) (“the CARES Act Funding”). Pursuant to this Loan to Grant Conversion Agreement, the City plans to convert the loan of the Funds to a grant with the use of CARES Act Funding, assuming the Borrower can show that it will spend or has spent the Funds on Eligible Expenses (as further defined below) consistent with the activities described in the Borrower’s application for loan to grant conversion. The parties agree the Loan to Grant Conversion Agreement is for a public purpose, which is among other things, to minimize the extreme financial hardships caused to Arvada by the COVID-19 pandemic by providing a grant to small businesses to offset expenses incurred by small businesses which are eligible for reimbursement with funds under the CARES Act. For additional information about the program’s general purpose, please refer to the City of Arvada’s April 9, 2020 Executive Order Establishing An Emergency Small Business Loan Fund.

LOAN TO GRANT CONVERSION. The Parties previously entered into an agreement for the loan of the Funds which established the terms and conditions under which said loan was made (“the Loan Agreement”). The terms of the Loan Agreement will remain in full effect unless and until all terms of the Loan to Grant Conversion Agreement are met. If Borrower fulfills all terms of the Loan to Grant Conversion Agreement, the City will send Borrower a copy of Borrower’s Loan to Grant Conversion Application and Agreement signed by the City confirming that the loan of the Funds will be considered converted into a grant under the terms of this Agreement, and reflecting the portion of the Funds to be converted to a grant.

RESTRICTIONS ON USE OF FUNDS. On or before October 1, 2020, the Borrower must use the Funds for Eligible Expenses. Further, Borrower agrees to return to the City by September 1, 2020, any amount it reasonably anticipates will be unused as of October 1, 2020. Borrower agrees to be responsible for ensuring that it spends, documents, and accounts for any expenditures of the Funds in strict compliance with the CARES Act requirements. Borrower agrees to familiarize itself with, and shall adhere to, all current and subsequent legislation, rules, and regulations relevant to CARES Act Funding, including all guidance from the Department of Treasury which can be found at https://home.treasury.gov/policy-issues/cares/state-and-local-governments.

ELIGIBLE EXPENSES. For purposes of this Agreement, the term Eligible Expenses means expenditures used only to cover those costs and expenses that are eligible expenses in compliance with the CARES Act; are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and were incurred during the period that begins on March 1, 2020, and ends on October 1, 2020. Examples of Eligible Expenses include: payment of rent or mortgage expenses necessary to avoid eviction or foreclosure; purchase of personal protective equipment (PPE) required or recommended in order to preserve the public health in light of COVID-19; expenses for disinfection of public areas and other facilities; alterations to the physical business premises necessary to meet social distancing or public health requirements or recommendations; or other expenditures necessary to reimburse the costs of business interruption caused by required closures.

ACCOUNTING REQUIREMENTS. To assist with compliance, the Borrower shall:

- Maintain an effective system of internal fiscal control and accountability for all CARES Act Funding and property acquired or improved with CARES Act Funding, and make sure the same are used solely for authorized purposes.
- Keep a continuing record of all disbursements by date, check number, amount, vendor, description of items purchased and line item from which the money was expended, as reflected in the Borrower’s accounting records.
- Maintain payroll, financial, and expense reimbursement records for a period of three (3) years after receipt of final payment under this Agreement or any time period required by the CARES Act, whichever is longer.
- Permit inspection and audit of its records to determine compliance with the terms of this Loan to Grant Conversion Agreement by representatives of the City, County or Federal Government at any time during normal business hours and as often as necessary.

REPORTING. Borrower shall provide to the City regular reporting of its use of the CARES Act Funding, including the following minimum requirements which may be increased or changed at any time by the City:

- Borrower will submit to the City certain required data, including, but not limited to, receipts, payroll records, or other documentation for all expenditures made using CARES Act Funding;
- On or before the 20th of each month beginning the month following the execution of this Agreement, Borrower will submit to the City an updated expense tracking form and all related receipts, payroll records, or other documentation;
Monthly reporting by Borrower will continue through October 1, 2020 or until Borrower has documented to the City’s satisfaction that all of the Funds have been spent on Eligible Expenses, whichever is sooner; and

Borrower acknowledges and agrees that the expenses submitted to the City for this Loan to Grant Conversion Agreement will not be submitted for reimbursement or as expenses under any other federal government program, including but not limited to, the Paycheck Protection Program, FEMA or another aid program, regardless of its source.

RETURN OF UNUSED FUNDS. In order to be eligible for the loan to grant conversion, Borrower must spend the Funds on Eligible Expenses on or before October 1, 2020. For purposes of this Agreement, “spent” means that a Borrower has paid for and received the goods or services and actually expended the funds. All goods and services purchased with CARES Act Funding must be received on or before October 1, 2020.

PARTIAL CONVERSION. If Borrower spends some, but not all, of the Funds on Eligible Expenses, or is unable to document that some portion of the Funds were spent on Eligible Expenses, on or before October 1, 2020, the Borrower may be eligible for a partial loan to grant conversion. Any partial loan to grant conversion will be in the sole discretion of the City, and will in no event be greater than the amount of Eligible Expenses properly and timely documented by Borrower.

NON-COMPLIANCE. In the event Borrower fails to comply with any of the requirements of the CARES Act with respect to the CARES Act Funding, Borrower shall be solely responsible for reimbursement of said funds. In addition, in the event the federal government or relevant county seeks reimbursement of funds spent by the Borrower from the City, the City has the right, but not the obligation, to reimburse those funds to the federal government or relevant county on the Borrower’s behalf, and Borrower shall reimburse the City for such expenditure within 30 calendar days of payment by the City.

ASSIGNMENT BY BORROWER PROHIBITED. If Borrower’s loan is converted to a grant by the City after submission of this application, the proceeds of any such grant may not be assigned by the Borrower to any other entity or individual.

DISCLOSURE OF INFORMATION. Information submitted through this application is a public record and is subject to disclosure under the Colorado Open Records Act (CORA). Records relating to the amount distributed to Borrower and status of loan repayment will be released in accordance with the CORA. In addition, the City may be required to disclose information by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery.

GOVERNING LAW AND VENUE. This Agreement will be governed by the laws of the State of Colorado. Venue for any action arising under this Agreement for the enforcement of this Agreement will be in the appropriate court for Jefferson County, Colorado.