

ECONOMIC DEVELOPMENT AUTHORITY OF WINDOM

SMALL BUSINESS ASSISTANCE PROGRAM

FOR

BUSINESSES IMPACTED BY COVID-19

1. Goals and Objectives

- Ensure business stability for small businesses in Windom that are suffering financial hardships due to the COVID-19 pandemic.
- Provide emergency financing for businesses in Windom that are suffering financial hardships due to the COVID-19 pandemic.
- Ensure that all loans will be repaid.

2. Eligible Applicants

Businesses cited in Governor's Emergency Executive Order 20-04 as follows:

1. Beginning no later than March 17, 2020, at 5:00 pm, and continuing until March 27, 2020, at 5:00 pm, the following places of public accommodation are closed to ingress, egress, use, and occupancy by members of the public:
 - a. Restaurants, food courts, cafes, coffeehouses, and other places of public accommodation offering food or beverage for on-premises consumption, excluding institutional or in-house food cafeterias that serve residents, employees, and clients of businesses, child care facilities, hospitals, and long-term care facilities.
 - b. Bars, taverns, brew pubs, breweries, microbreweries, distilleries, wineries, tasting rooms, clubs, and other places of public accommodation offering alcoholic beverages for on-premises consumption.
 - c. Hookah bars, cigar bars, and vaping lounges offering their products for on-premises consumption.
 - d. Theaters, cinemas, indoor and outdoor performance venues, and museums.
 - e. Gymnasiums, fitness centers, recreation centers, indoor sports facilities, indoor exercise facilities, exercise studios, and spas.
 - f. Amusement parks, arcades, bingo halls, bowling alleys, indoor climbing facilities, skating rinks, trampoline parks, and other similar recreational or entertainment facilities.
 - g. Country clubs, golf clubs, boating or yacht clubs, sports or athletic clubs, and dining clubs.

Executive Order 20-04 is amended by the following additions (indicated by underlined text) and deletions (indicated by strikethroughs): *Gymnasiums, fitness centers, recreation centers, indoor sports facilities, indoor exercise facilities, exercise studios, and spas tanning establishments, body art establishments, tattoo parlors, piercing parlors, businesses offering massage therapy or similar body work, spas, salons, nail salons, cosmetology salons, esthetician salons, advanced practice esthetician salons,*

eyelash salons, and barber shops. This includes, but is not limited to, all salons and shops licensed by the Minnesota Board of Cosmetologist Examiners and the Minnesota Board of Barber Examiners.

All other provisions of Executive Order 20-04 remain in effect.

3. Loan Criteria & Terms

- Maximum loan amount is \$5,000.
- Loans will be approved on a first-come, first-served basis.
- Interest rate will be zero percent for the first 3 months.
- The intent is for the loans to be repaid at the end of 3 months. At the end of 3 months, the EDA Board will evaluate the loans. If the economy has stabilized, the loans will be callable. A business with a loan will have an option to repay the loan or the loan will be amortized over a 12-month period with a 3 percent interest rate.
- Any fees incurred will be due from the Borrower at the time of closing.
- A blanket UCC for the value of the loan listing the EDA as the Secured Party shall be filed.
- Loans are not transferable unless the transfer is approved by the EDA Board.
- Loan payment method will be automatic withdrawal from the Borrower's checking account if the loan is amortized over the 12-month period.
- The Borrower has the right to prepay any amount at any time during the 1-year repayment period.
- Upon default of the loan or the permanent closure or sale of the business, the loan shall be immediately due and payable in full.
- If a business receives a Small Business Administration (SBA) Economic Injury Disaster Loan, SBA loan funds must be used to repay the EDA Loan.

4. Eligible Loan Activities

- Operating Capital to assist the business with sustaining itself until longer-term assistance programs are available.
- Other activities having sufficient merit as determined by the EDA Board on a case-by-case basis.

5. Application Requirements

- Completed "COVID-19 Business Assistance Loan" Application.

6. Collateral

- Loans will be secured with a blanket UCC in the amount of the loan listing the EDA as the Secured Party.