



City of Miami
Department of Housing & Community Development
APPLICATION FOR SMALL BUSINESS EMERGENCY LOAN PROGRAM II

This program provides eligible for-profit business owners within the City of Miami ("City") with a one-time forgivable loan award in an amount not to exceed \$35,000 or 20% of year 2019 business annual gross revenue, whichever is less. The loan award must be used to cover expenditures that allowed businesses to remain viable and operational. The goal of this program is to assist small businesses that experienced a loss or reduction in revenue as a result of the COVID-19 pandemic. Applicants will be assisted on a first-come, first-ready, first-serve basis. Submission of an application does not guarantee you will receive any assistance. Businesses that have already received financial assistance from a different City of Miami business assistance program such as micro enterprise or small business programs do not qualify for this program.

Business Tax ID Number: _____ EIN: _____ **OR**, if Sole Proprietorship, enter your SSN: _____

Legal Name of Business: _____ DUNS Number¹: _____

Fictitious Name, Trade Name, d/b/a (if any): _____

Business Address: _____ Commission District: _____

City: Miami State: Florida Zip Code: _____ Business Main Phone #: _____

Business Tax Receipt (BTR)/Certificate of Use Account Number (City of Miami): _____ BTR Date Issued: _____

Business Contact Person Name: _____ Business Contact Person Phone #: _____

Business Contact Person Email address (Please use block letters): _____

Does your business expend more than \$750,000 in federal funds during its fiscal year? YES NO

What good or services does your business provide to City residents? _____

ELIGIBILITY CRITERIA

- Business is a for-profit business and must have more than 5 employees, but no more than 20 employees. ___ TRUE ___ FALSE
- Business is registered with State of Florida prior to September 1, 2019. ___ TRUE ___ FALSE
- Business has a City of Miami-issued Certificate of Use/Accessory of Use and is current with its Business Tax Receipt (BTR) payments. ___ TRUE ___ FALSE
- Business suffered a loss of income as a result of COVID-19 starting on March 1, 2020. ___ TRUE ___ FALSE
- Business is currently open for and located within the boundaries of the City of Miami. ___ TRUE ___ FALSE
- Business is current with all financial obligations with the City of Miami. ___ TRUE ___ FALSE
- None of the business owners are suspended or debarred from contracting with federal, state, or local governments. ___ TRUE ___ FALSE
- Business did not have an annual revenue of more than \$2,000,000 in calendar year 2019. ___ TRUE ___ FALSE
- Business has not received assistance from any other City of Miami business assistance program in 2020. ___ TRUE ___ FALSE

REQUIRED DOCUMENTATION – You MUST submit copies of the following²

- Copy of Florida Picture ID of person applying for assistance which must be a business owner or a registered agent.
- Business Tax Returns for 2019 (to calculate maximum amount of assistance).
 1. Sole Proprietorship – Form 1040, US Individual Income Tax Return, with Schedule C "Profit or Loss from Business".
 2. Partnership – Form 1065, US Return of Partnership Income, Schedule K-1 "Partners Share of Income, Deductions, Credits, etc."
 3. Corporation – Form 1120, US Corporation Income Tax Return.
 4. S-Corporation – Form 1120S, US S-Corporation Income Tax Return.
- Copy of form RT-6 "Florida Department of Revenue Employer's Quarterly Report".
- Copy of City of Miami-issued Certificate of Use/Accessory of Use and Local Business Tax Receipt Card.
- Proof of loss or reduction of income as a result of COVID-19. Quarterly P&L Statements for all 4 quarters of 2020.
- Proof of your business having a DUNS Number.¹
- Completed and signed W-9 form matching the business's name to the one in this application.
- Job Retention Certification Form and Receipts and bank account statements as proof of business expense(s).
- Proof of payment – Receipts and bank account statements showing the amount paid for all expenditures not covered by any other federal, state, or local COVID-19 relief program that amounts to the maximum amount of assistance which is \$35,000 or 20% of year 2019 annual gross revenue, whichever is less.

CERTIFICATION ON BEHALF OF APPLICANT BUSINESS

- I certify that the information provided to determine my eligibility for assistance on this application is true and correct to the best of my knowledge. I, the applicant, further understand that any false information provided in connection with this application may be grounds for having to pay back the funds awarded.
- I understand that this assistance is contingent upon the availability of funds and that the assistance is limited to payment of business expenditures related to loss or reduction of revenue due to COVID-19, not previously reimbursed by any other COVID-19 relief program by either federal, state, or local sources.

 Signature of Applicant _____ Print Name _____ Date

¹ Your organization must obtain a DUNS number, if you currently do not have one, AND submit proof of it. If your business does not currently have a DUNS number, visit fedgov.dnb.com to register for and receive a DUNS number. You can submit proof your organization applied for a DUNS number in order to expedite the processing of your application instead of having to wait to receive your DUNS number.

² This is not an all-inclusive list. Additional documents may be required as specified under the "Rules and Requirements" of this Program's application package.



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SUBMISSION CHECKLIST

The following documentation **MUST BE SUBMITTED** along with this application to ensure that your application is processed. Failure to submit a complete package will disqualify you.

All items in the chart below are **REQUIRED**. Proof of payment items depend upon the type of expenditures you are seeking reimbursement for.

<input type="checkbox"/>	Completed and signed Application for the Small Business Emergency Loan Program II including the Affidavit and Acknowledgment form AND City of Miami Small Business Emergency Loan Program II Rules and Requirements (which MUST both be notarized).
<input type="checkbox"/>	State of Florida-issued picture ID for person applying on behalf of the Business.
<input type="checkbox"/>	<p>Business Tax Returns³ - Must submit a copy of 2019 federal income tax returns, including all schedules.</p> <ol style="list-style-type: none"> 1. Sole proprietorship – Form 1040, US Individual Income Tax Return, with Schedule C “Profit or Loss from Business” 2. Partnership – Form 1065, US Return of Partnership Income, Schedule K-1 “Partners Share of Income, Deductions, Credits, etc.” 3. Corporation – Form 1120, US Corporation Income Tax Return. 4. S-Corporation – Form 1120S, US S-Corporation Income Tax Return. <p>If the business has yet to file its tax return for 2019 and it has submitted a request for an extension to the IRS, we will need a copy of the extension submission record and the previous year’s Tax Return (2018).</p> <p>If the business is a “home-based” business and seeking reimbursements for items such as rent/mortgage, utilities, and other items related to the home-business operations, you will be required to submit IRS Form 8829, “Expenses for Business Use of Your Home”, which must have been filed and submitted to the IRS along with your tax returns.</p>
<input type="checkbox"/>	Copy of filed Florida RT-6 form “Florida Department of Revenue Employer’s Quarterly Report” for the latest quarter.
<input type="checkbox"/>	Copy of City of Miami-issued Certificate of Use/Accessory of Use and Local Business Tax Receipt Cards. Must be up to date.
<input type="checkbox"/>	Proof of loss of income or Reduction in income after March 1, 2020
<input type="checkbox"/>	Submit a quarterly Profit a Loss (P&L) statement from January-March 2020, from April-June 2020; from July-September 2020 AND from October-December 2020.
<input type="checkbox"/>	Job Creation/ Retention Certification Form.
<input type="checkbox"/>	Completed and Signed W-9 Form. If you wish to get the funds deposited directly to your bank account, please fill out the ACH Form and submit a copy of a VOIDED check. You can find these forms at https://www.irs.gov/pub/irs-pdf/fw9.pdf and you can fill out the ACH form online at https://www.miamigov.com/files/assets/public/document-resources/pdf-docs/finance/ach-set-up-for-accounts-payable-revised.pdf
<input type="checkbox"/>	Proof of DUNS Number – Printout of DUNS number from fedgov.dnb.com or email received from them showing the business DUNS number. If you applied for a DUNS Number and have not received it yet, you can submit proof that you have applied for it.
<input type="checkbox"/>	Proof of Payment of Eligible Expenditures to be Reimbursed – Must have been incurred after March 1, 2020 and must NOT have been paid by other COVID-19 relief program from either federal, state or local sources. All expenses must be related to business operations. Cash payments or payment via alternative methods that cannot be traced to a business account will not be reimbursed. Business loans or similar instruments are ineligible. Any bills, bank statements, and/or credit card statements submitted under an individual’s name that does not include the business’ name will not be accepted.
<input type="checkbox"/>	RENTAL PAYMENTS – Must submit a copy of the executed lease agreement AND copy business bank account reconciled check or monthly statement or business credit card statement highlighting the payment for the correct amount.
<input type="checkbox"/>	UTILITY/INSURANCE/LICENSES BILLS – Must submit a copy of the bill under the business name AND a copy of the business’ bank account reconciled check or monthly statement or business credit card statement highlighting the payment for the correct amount. Reimbursable utility costs include electricity, water and sewer, internet and cable. It does not include cellphone or telephone bills.
<input type="checkbox"/>	EMPLOYEE SALARIES – Must submit a copy of payroll statements AND copy business bank account reconciled check or monthly statement or business credit card statement highlighting the payment for the correct amount paid to the payroll company OR reconciled cashed paystubs.

WHERE DO I DROP OFF MY COMPLETED APPLICATION PACKAGE:

All completed application packages must be submitted to the address below. Incomplete application packages will be discarded. The City will not return any of the documents submitted through this application process to the applicant whether the assistance is approved or not.

Drop-off location:

CITY OF MIAMI
SMALL BUSINESS EMERGENCY LOAN PROGRAM II
 14 NE 1st Avenue, 1st Floor Lobby DROP BOX
 MIAMI, FL 33132
 Drop-off Hours: 9 am to 4 pm, Monday through Friday (excluding holidays)

The city will process applications on a first-come, first-serve, first-ready basis. You will be contacted by program staff if additional documentation is needed. For more information regarding this program, please call 305-416-2065 or email us at cdbusinessprogram@miamigov.com.

³ Limited Liability Company (LLC) – This can be a corporation, partnership, or a disregarded entity. A domestic LLC with at least 2 members is classified as a partnership (Form 1065) for federal income tax purposes unless it files Form 8832 and affirmatively elects to be treated as a corporation (Form 1120 or 1120s). An LLC with one member will need to file a Form 1040 Schedule C.



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PUBLIC RECORDS DISCLOSURE AND ACKNOWLEDGMENT

Information provided by the applicant(s) is subject to Chapter 119, Florida Statutes, regarding Public Records. Information provided by the business applicant that is *not* protected by Florida Statutes can be requested by any individual for their review and/or use. This is without regard as to whether or not you qualify for funding under the program(s) for which you are applying. Having been advised of this fact prior to finalizing the application for assistance or supplying any information, your signature below indicates that:

- On behalf of the business applicant, I/we agree to hold harmless, indemnify, release, and defend the **City of Miami**, its officers, employees, agents, successors and assigns from any and all liability and costs that may arise due to compliance with the provisions of Chapter 119, Florida Statutes.
- On behalf of the business applicant, I/we agree that the **City of Miami does not** have any duty or obligation to assert any defense, exception, or exemption to prevent any or all information given to the **City of Miami** in connection with this application, or obtained by them in connection with this application, from being disclosed pursuant to a public records request.
- On behalf of the business applicant, I/we agree that the **City of Miami does not** have any obligation or duty to provide me/us with notice that a public records request has been made.
- On behalf of the business applicant, I/we agree to hold harmless, release, indemnify, and defend the **City of Miami**, its officers, employees, agents, successors and assigns from any and all liability that may arise due to my/our applying for the Small Business Emergency Loan Program II.

NOTICE OF COLLECTING SOCIAL SECURITY NUMBER
FOR GOVERNMENT PURPOSE

The City of Miami may collect your social security number for a number of different purposes. The Florida Public Records Law (specifically, Section 119.071(5), Florida Statutes) requires the City to give you this written statement explaining the purpose and authority for collecting your social security number as part of this application. Your Social Security Number is being collected for the purposes of qualification for the Small Business Emergency Loan Program II if you are applying as a sole proprietor.

Name of Applicant

Signature of Applicant

Date



City of Miami Small Business Emergency Loan Program II Rules and Requirements

This is a forgivable loan if applicant can retain a job for a low-to moderate-income person for a period of no less than 6 months.

The City of Miami (“City”) hereby establishes the Small Business Emergency Loan Program II (“Program”) with the goal of supporting eligible for-profit businesses that meet the required criteria below due to loss of revenue as a result of the COVID-19 pandemic (hereinafter each referred to as an “Eligible Business”). This Program will be administered by the City’s Department of Housing and Community Development (“HCD”) and will be capitalized utilizing federally allocated Coronavirus, Aid, Relief, And Economic Security (“CARES”) Act Community Development Block Grant Coronavirus (“CDBG-CV”) funds.

The goal of this Program is to provide eligible business owners with a loan not to exceed \$35,000 or 20% of their gross revenue, whichever is less, to reimburse for certain expenditures that allow such eligible businesses to remain viable and operational. Annual gross revenue for each eligible business must not exceed \$2,000,000 as determined by the business tax return submitted to the IRS for 2019. In exchange, the business must retain a full-time equivalent job or jobs for one or more of its low-to moderate-income employees (not to include the owner(s) or business partner(s)) for at least 6 months from the time the business enters into an agreement with the City of Miami.

Funds will be awarded on a first-come, first-ready, first-serve basis until funds are fully expended or until the end period of funding availability, whichever occurs first.

Eligibility Criteria

To be determined as an “Eligible Business”, each applicant must be a for-profit business. Not-for-profit businesses do not qualify for CDBG-CV assistance as prescribed by U.S. Department of Housing and Urban Development (“HUD”) regulations.

In order to qualify, the small business must:

- Be a for-profit business located within the boundaries of the City of Miami with more than 5 employees, but no more than 20 employees. Business must provide a copy of their latest submission of form RT-6 “Florida Department of Revenue Employer’s Quarterly Report”.
- Be a business registered with the State of Florida *prior to September 1, 2019* (operating for at least six (6) months) and maintaining an ‘Active’ status in the Florida Department of State, Division of Corporations. Must be currently open for business.
- Business must be able to retain, for a period of no less than 6 months, at least one (1) job for a low-to-moderate income person as defined by 24 CFR 209(b)(1)(i).
- Must have suffered a loss of business revenue as a result of the COVID-19. Quarterly Profit and Loss (“P&L”) statements must be submitted for all 4 quarters of 2020.
- Must possess and be current with City of Miami Certificate of Use/ Accessory of Use and Business Tax Receipts.
- Must not be a business that already received financial assistance (grant, loans, etc.) from any other City of Miami business assistance program responding to COVID-19. Such programs include, but are

not limited to, Small Business Emergency Loan Program (“SBELP”), Business Continuity Micro Enterprise Program (“BCMEP”), Business Assistance Grant Program (“BAGP”).

- **Duplication of Benefit:** Not have already received COVID-19 related financial assistance (grant, loans, etc.) from any other federal, state, or local program to pay for the same expenses.
- Be current in all financial obligations with the City of Miami. HCD will not fund any business or business owner with outstanding disallowed costs, defaulted loans, debarment actions or any other legal encumbrance, regardless of the merit of the submitted applications.
- Annual gross revenue for each eligible business must not exceed \$2,000,000 as determined by the business tax return submitted to the IRS for 2019.

Home-based small businesses (i.e. Lyft, Uber drivers, etc.) of less than 5 employees do not qualify for this program. National chains and/or franchises will be reviewed on an individual basis prior to making a decision (i.e. Home Depot will not qualify for this assistance, but a locally owned and operated Ace Hardware store may).

Job Retention Criteria (24 CFR 209(b)(1)(i))

- All loans will require applicant to retain for 6 months one, full time equivalent, permanent job held by a low-to-moderate income person for every \$35,000, or parts thereof, loaned.
- At least fifty one percent (51%) of all jobs retained must be made available to low- and moderate-income persons.

If your business is awarded Program funding, but fails to meet the job retention criteria for any reason whatsoever and as specified in the contract with the City (i.e., closing the business prior to meeting the 6 months requirement or not maintaining a FTE job for a low-to-moderate income person for the minimum retention period of 6 months) you will be required to pay back the loan.

Required Documentation

Businesses must submit complete application packages with proper documentation in order to be reviewed for eligibility to be awarded a loan. Failure to submit a complete application package will render the application ineligible and City staff will move to review the next application received. Documents submitted for this Program will not be returned to the applicant. Failure to submit any of the documents below shall disqualify the business. The City reserves the right to ask for further documentation to be able to approve an application:

1. **Application** – Applicants must submit a complete, signed, and notarized (where applicable) application form.
2. **State of Florida Picture ID** – for the person applying on behalf of the business. This person must be the business owner or a registered agent.
3. **Calculation of Maximum Assistance** – Applicants must submit their 2019 Tax Return filed with the IRS to calculate the maximum amount of assistance: 20% of annual revenue not to exceed \$35,000, whichever is less. 2018 Business Tax Returns are acceptable only if the business is able to provide enough proof that an extension to file their 2019 taxes was submitted and accepted by the IRS.
 - a. Sole Proprietorship – Form 1040, US Individual Income Tax Return, with Schedule C “Profit or Loss from Business”.
 - b. Partnership – Form 1065, US Return of Partnership Income, Schedule K-1 “Partners Share of Income, Deductions, Credits, etc.”.
 - c. Corporation – Form 1120, US Corporation Income Tax Return.

- d. S-Corporation – Form 1120S, US S-Corporation Income Tax Return.
4. **Proof of Number of Employees** – Applicants must submit the latest filed copy of their Florida RT-6 form “Florida Department of Revenue Employer’s Quarterly Report”. Employers are required to file quarterly tax/wage reports regardless of employment activity or whether any taxes are due.
 5. **Proof of Location of Business** – Applicants must submit documentation showing the business is located within the boundaries of the City of Miami.
 6. **Proof of Loss of Business Revenue** – Applicants must submit proof that the business suffered a loss of revenue after March 1, 2020. Acceptable documentation: Quarterly Profit & Loss Statements for all 4 quarters of 2020. If your business is not able to submit quarterly P&L Statements for 2020, your application will not be processed.
 7. **Proof of compliance with City of Miami Certificate of Use (CU) / Accessory of Use (AU) and City of Miami Business Tax Receipts (BTR)** – Applicants must submit proof of current CU/AU and that all BTR obligations with the City have been paid and are up to date.
 8. **DUNS Number** – Organization must obtain a Data Universal Number System (DUNS) number. This is a unique nine-character number used to identify your organization. The federal government uses the DUNS number to track how federal money is allocated. To register please visit the Dun & Bradstreet website at fedgov.dnb.com. You are allowed to submit an application with proof you started the DUNS number application process even if a DUNS number is yet to be assigned to your business.
 9. **Job Retention Certification Form** – Applicants must fill out a Job Retention Certification form with the information of the low- to mod-income employee whose job is to be retained for a minimum period of 6 months as a result of being awarded this forgivable loan.
 10. **Proof of Payment of Expenditures to be Reimbursed** – Applicants must submit proof that each expenditure being requested for reimbursement by the loan was paid by the business through a business account (checking account or credit card account) under the name of the business applying for assistance. Payments made by the owner, even if the business is a sole proprietorship, or other party with a private or personal account will not be considered. Cash payments or payment via alternative methods that cannot be traced to the business account of the business applying for assistance will not be reimbursed. All eligible expenditures must have been incurred after March 1, 2020.

All expenditures must be related to the day-to-day operations of the business applying for the assistance, and the City, at its sole discretion, will accept or deny specific expenditures.

Eligible Uses of Loan Funds

The loan is to be utilized exclusively to cover expenditures that allowed the Eligible Business to continue operating. Such expenditures include rent, employee salaries, licenses, insurance, and utilities. Reimbursable utility costs include electricity, water and sewer, internet, telephone, and cable; however, they do not include cellphone bills.

Reimbursable expenses must have been incurred between March 1, 2020 up to the date of application submission. This Program will not pay for future foreseeable expenses and only works on a reimbursable basis.

- Payment of Business Rent or Mortgage.
- Payment of Utilities, Licenses, and/or Business Insurance.
- Payment of Employee Salaries.

- Home-based businesses must provide IRS Form 8829, “Expenses for Business Use of Your Home” which must have been filed along with your tax returns. No payments for rent, mortgage, utilities or any other item related to the cost of operating a home-based business will be made unless this form is attached. Only payment of employee salaries will be considered.
- Payments of salaries or transfers of monies from the applicant’s business account to a personal account for owners of sole proprietorships will not be considered for reimbursement. Sole proprietors get the profits of the company. While it is not illegal to transfer monies for personal expenditures from the business account to a personal account, these payments are not considered as salary.

Examples of type of documentation required to be submitted by the applicant:

Any bills, bank statements, and/or credit card statements submitted under an individual’s name that does not include the business’ name will not be accepted.

- a. Rental or Mortgage Payments: Must submit current, executed lease agreement AND a copy of business’ bank account reconciled check (under the name of the business applying for assistance) or monthly statement or business’ credit card statement highlighting the payment for the correct amount of each rental payment. Personal credit card statements are not acceptable.
 - i. If the business paid rent or mortgage utilizing a Cashier’s Check, there must be a corresponding withdrawal from the business bank account when the Cashier’s Check was drafted. Any other condition outside this example will not be considered.
- b. Utility Bills, Licenses, and/or Insurance: Must submit utilities, licenses and/or insurance bills AND a copy of business’ bank account reconciled check or monthly statement or business’ credit card statement highlighting the payment for the correct amount of each utility payment.
- c. Employee Salaries: Must submit payroll statement AND a copy of business’ bank account reconciled check or monthly statement or business’ credit card statement highlighting the payment for the correct amount of each salary payment. All employees must be W-2 workers. 1099 workers or independent contractors are not considered employees.

Submission of an application package shall constitute acknowledgement and acceptance, by the legally authorized owner/representative of the business, of all terms and conditions contained in these guidelines, the application itself, and the City of Miami contract. The individual(s) signing the application must be the legally authorized owner(s)/representative(s) who have legal authority to contract for the business and must be listed by respective title (director, member, partner, etc.) as indicated in the State of Florida, Division of Corporation website. For example(s): a limited liability corporation must have the application signed by its managing member.

Receipt or acceptance of an application does not constitute a contract and does not obligate the City to award funds. The City will not return the application and supplied documentation to the applicant.

Application Process

All small for-profit businesses with 5 or more employees, with annual business revenue not exceeding \$2,000,000 and located within City of Miami boundaries are able to apply following the instructions in these rules and requirements and those in the application package.

Other Program Requirements

In order to apply for this Program, business owners/board members/individuals or entities that have an ownership interest in the applicant business must sign and submit an affidavit certifying that funds were strictly used for the businesses' expenses during the period from March 1, 2020 to the date of application and must accept they could be subject to an audit to verify the use of the funds.

- The application must be submitted in the legal name of the applicant (i.e., Name of business owner(s), partnership, corporation name, as registered with the Florida Department of State, Division of Corporations, etc.).
- The City may require additional information for the determination of the applicant's qualifications and eligibility. In such case, an email will be sent to the applicant (please print your email address with block letters clearly to ensure City staff can communicate with you) and the business will be provided with a strict deadline to submit the missing information. Failure to do so, will automatically disqualify the applicant. Applicant will have to reapply for the Program and will be placed at the end of the queue when the new application is received.

Ineligible Businesses

- Not-for-Profit Businesses (due to HUD CDBG Regulations 24 CFR Part 570.203)
- Businesses with less than 5 employees (W-2 workers only)
- Businesses engaged in legal gambling activities.
- Businesses engaged in illegal activity.
- Businesses whose primary source of revenue is more than 75% derived from the sale of packaged alcoholic liquor.
- Businesses that present live performances of a sexual nature or engage in the sale of products or services, or the presentation of any depictions or displays, of a sexual nature.
- Other ineligible businesses as determined solely by the City of Miami.
- Real estate business owners/landlords, real estate management companies.

Program Timetable

The program will remain open until funds are fully expended or until the end period of funding availability, whichever occurs first.

Loan Terms

If the loan needs to be paid back to the City, repayment of the loan shall be as follows:

- a) No payment will be required if jobs are retained for a minimum of 6 months, otherwise, loan will be fully amortized for 5 years with no payment required in the first 12 months.
- b) Special Circumstances: Longer repayments may be considered on a case-by-case basis.

Interest Rates

No interest will be charge in case you need to repay the loan.

Financial Accountability and Recapture of Program Loan Funds

The City reserves the right to audit the records of the business at any time during the performance of the business' participation in the Program and for a period of five (5) years afterward. All books of account and supporting documentation shall be kept by the business at least until the expiration of the above-mentioned five (5) year period. The business must maintain and (upon request by the City) provide all financial and other applicable records and documents to enable the City to determine whether the business has met the requirements of the Program and whether the business has used the Program's loan funds in an eligible manner. If the City or the business has received/receives or has given/gives notice of any kind indicating any threatened or pending litigation, claim or audit arising out of the activities pursuant to the Program, the above-mentioned five (5) year period shall be extended until such time as the threatened or pending litigation, claim or audit is, in the sole and absolute discretion of HCD fully, completely and finally resolved.

The City reserves the right to recapture the loan funds in the event that the business shall fail: (i) to comply with the terms of the Program, or (ii) to accept conditions imposed by the City at the direction of the federal, state and local agencies.

Funding pursuant to the Program is contingent on the availability of funds and continued authorization for Program activities and is also subject to amendment or termination due to lack of funds or authorization, reduction of funds, and/or changes in regulations.

Audit

If the business expends less than \$750,000 in federal funds during its fiscal year, the City may request the business to have a limited scope audit for monitoring purposes. These limited scope audits will be paid for and arranged by the City and address only one or more of the following types of compliance requirements: activities allowed or not allowed, allowable costs/cost principles, eligibility, matching, level of effort, earmarking, and reporting. Pursuant to the Program's application, the business is obligated to notify City if it expends more than \$750,000 in federal funds during its fiscal year, which may disqualify the business from being awarded a loan through the Program.

Provision of Records and Monitoring

At any time upon request by HCD, the business shall provide, to HCD, any and all books, records, documents, information, data, papers, letters, materials, and computerized or electronic storage data and media, whether written, printed, computerized, electronic or electrical, however collected or preserved, which is or was produced, developed, maintained, completed, received or compiled by or at the direction of the business or any subcontractor in carrying out the duties and obligations required by the Program. Such documents shall become the property of the City without restriction, reservation, or limitation on their use. The City shall have unlimited rights to all books, articles, or other copyrightable materials developed in the performance of this Program.

The business shall permit HCD and other persons duly authorized by HCD to inspect all of the above-mentioned documents, facilities, goods, and activities of the business which are in any way connected to the activities undertaken pursuant to the terms of this Program, and/or interview any clients, employees, subcontractors or assignees of the business. Following such inspection or interviews, HCD will deliver to the business a report of its findings. The business will rectify all deficiencies cited by HCD within the specified period of time set forth in the report or provide HCD with a reasonable justification for not

correcting the same. HCD will determine, in its sole and absolute discretion, whether or not the business' justification is acceptable. The City will carry out monitoring and evaluation activities, including visits and observations by City staff. The business shall ensure the cooperation of its employees, board members (if applicable), and ownership/management team. Any inconsistent, incomplete, or inadequate information, either received by the City or obtained through monitoring and evaluation by the City, shall constitute cause for the City to recapture Program loan funds.

NOTE: Guidelines, forms, and other documents related to these programs are subject to change from time to time to ensure proper utilization of public funding.

