



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
 (907) 271-1414 (phone)
 (907) 271-1415 (fax)
 www.denali.gov

Project Number 0016-DC-2000-E3 Amendment 3

Project Title Alaska Growth Capital Loan Program, Amendment 3

Performance Period Oct 25, 2000 – Dec 31, 2006

Recipient Name & Address

Alaska Growth Capital, Inc.
 3900 'C' Street, Suite 302
 Anchorage, Alaska 99503-5965

Phone: (907) 339-6760
 Fax: (907) 339-6771

Authority
 112 Stat 1854

CFDA Number
 90.100

Denali Commission Finance Officer Certification

CEE

Cost Share Distribution Table

Accounting Code	Denali Commission	Other Contributors	Total
95670000 FY00	\$824,000	\$7,000,000	\$7,824,000
95670000 FY01	\$1,500,000	\$2,000,000	\$3,500,000
95670000 FY02	\$1,500,000	\$0	\$1,500,000
Total	\$3,824,000	\$9,000,000	\$12,824,000

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- Special Award Conditions and Attachments
- Line Item Budget
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments
www.whitehouse.gov/OMB/circulars/a133/a133.html
- State of Alaska Statute AS 10.13, Alaska BIDCO Act

Administrative Requirements (check one)

- 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments
www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations
www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html

Cost Principles (check one)

- OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments
www.whitehouse.gov/OMB/circulars/a087/a087-all.html
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
www.whitehouse.gov/OMB/circulars/a122/a122.html
- OMB Circular A-21, Cost Principles for Educational Institutions
www.whitehouse.gov/OMB/circulars/a021/a021.html
- 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission

Jeff Staser

Typed Name and Title

Jeffrey B. Staser, Federal Co-Chair

Date

6/23/03

Signature of Authorized Official

David Hoffman

Typed Name and Title

**David Hoffman, President
 Alaska Growth Capital**

Date

6-26-03

Award Conditions to the Financial Assistance Award

1. The scope of work for this financial assistance award includes:
 - Financial assistance with performance measures for a loan program at Alaska Growth Capital
 - Total Commission funding for *Alaska Growth Capital* through this amended agreement is \$3,824,000; total funding (including from other sources) is \$12,824,000. Commission funding is intended for use for the scope of work specified above only.
2. The Project Officer for *Alaska Growth Capital* is David Hoffman, and for the Denali Commission is Al Ewing. Either party may change project officer designation with written notification to the other party.
3. The Alaska Growth Capital shall submit written progress reports to the Commission Project Officer as follows:
 - An annual quantitative report on performance against all accountability measures due February 28 of each year. This report will be in the format of the Community Development Financial Institution (CDFI) annual report;
 - An annual narrative report providing brief descriptions of each of the financings and consulting engagements with businesses in “distressed” communities as defined by the Denali Commission. This report will include an accounting of all jobs created or added in a community as a result of ventures financed by Denali Commission funding through *Alaska Growth Capital*. This report is also due on February 28 of each year.
 - Photographic documentation of projects shall be provided with the reports. The photo documentation of construction projects shall include a complete record of the construction activity over time, from “before,” showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images). A short description of the activity and names of those in the photos shall also be provided.
 - An audited financial statement is due April 30 of each year.

These reports shall be sent to:

Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501
Fax: (907) 271-1415

The Commission reserves the right, at a future date, to direct *Alaska Growth Capital* to provide the progress reports in electronic format for posting on the Commission web page.

4. To receive funding under this agreement, *Alaska Growth Capital* must submit a "Request for Advance or Reimbursement", **Standard Form – 270**, to the Commission Project Officer.
5. The Denali Commission will review reports from each of the reporting periods identified on the attached accountability measures table. If *Alaska Growth Capital* meets or exceeds the *outstanding* level in all categories for a given performance year, *Alaska Growth Capital* will not be required to pay back an amount equal to one-fifth of the total Financial Assistance Award under any future circumstances.
6. In the event *Alaska Growth Capital* reports less than the *minimally acceptable* level for any category during any time period, the Denali Commission project officer will provide Alaska Growth Capital with written notification of "unacceptable performance." Alaska Growth Capital will be placed on performance probation and have six months to meet performance requirements for the previous year. During the probationary period, performance measures can be counted towards bringing the prior year shortfall to an acceptable level (*minimally acceptable*). Performance measures cannot be double counted in any given reporting period. If performance for the preceding year is not improved to at least the *minimally acceptable* level by the end of the probationary period, one-fifth of the amount of the Financial Assistance Award will be required to be returned to the Denali Commission within 60 days of the end of the probationary period.
7. At the end of the five-year performance period (December 31, 2006) *Alaska Growth Capital* will be allowed to convert a percentage of the total Financial Assistance Award to permanent capitalization. The amount of the award conversion is equal to 20% multiplied by the number of years *Alaska Growth Capital* met or exceeded the satisfactory level for all categories. Any balance will be returned to the Denali Commission within 60 days of the end of the performance period.
8. No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 **U.S.C. Section 1913** or **Section 607(a) of Public Law 96-74**.

Alaska Growth Capital ACCOUNTABILITY MEASURES

Revised June, 2003

Measure 1: Total annual financing disbursements to businesses in communities defined as "distressed" by the Denali Commission. The distressed communities are listed in the Commission's issue paper of May 2001.

	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>Total</u>
Outstanding	1,770,500	1,869,245	1,967,625	2,066,000	2,169,300	9,842,670
Satisfactory	1,180,575	1,278,956	1,377,338	1,475,719	1,549,505	6,862,093
Minimally Acceptable	983,813	1,082,194	1,180,575	1,278,956	1,342,904	5,868,442

Measure 2: Total annual financing disbursements to **Alaskan - owned** businesses in communities defined as "distressed" by the Denali Commission.

	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>Total</u>
Outstanding	1,574,100	1,672,485	1,770,865	1,869,245	1,962,707	8,849,402
Satisfactory	983,813	1,082,194	1,180,575	1,278,956	1,342,904	5,868,442
Minimally Acceptable	787,050	885,431	983,813	1,082,194	1,136,304	4,874,792

Measure 3: The total annual payroll at all AGC-financed companies in distressed communities.

	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>Total</u>
Outstanding	1,141,225	1,259,280	1,377,335	1,495,395	1,570,164	6,843,399
Satisfactory	472,230	590,288	708,345	826,403	867,723	3,464,989
Minimally Acceptable	354,173	472,230	590,288	708,345	743,762	2,868,798

Measure 4: Number of technical assistance engagements provided to businesses that operate in "distressed" communities. A "technical assistance engagement" is defined as a minimum of 8 hours of assistance provided by Alaska Growth Capital. These engagements will cover a broad range of topics, as defined by the needs of the business.

	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>Total</u>
Outstanding	42	42	42	42	42	210
Satisfactory	31	31	31	31	31	155
Minimally Acceptable	20	20	20	20	20	100