



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
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 www.denali.gov

Project Number	0095-DC-2003-E1, Amendment 1
Project Title	Alaska Growth Capital Loan Program
Performance Period	Jan. 1, 2003 – Dec. 31, 2013
Authorizing Resolution	04-14
Recipient Organization & Address	
Alaska Growth Capital 3900 C Street, Suite 302 Anchorage, AK 99503-5965 Phone: (907) 339-6760 Fax: (907) 339-6771	
Recipient DUNS # 17-194-2691 TIN # 91-1819377	

Authority 112 Stat 1854	CFDA Number 90.100
Denali Commission Finance Officer Certification	CEE

Cost Share Distribution Table

Current Obligations		Cumulative Obligations	Denali Commission	Other Contributors	Totals
FY04 HUD Funding	\$500,000	Current Funding	\$ 500,000.00	\$ -	\$ 500,000.00
		Funding From Prior Periods	\$ 1,000,000.00	\$ 3,976,000.00	\$ 4,976,000.00
Total Current Funding	\$ 500,000.00	Funding Totals	\$ 1,500,000.00	\$ 3,976,000.00	\$ 5,476,000.00

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 Non-Profit Organizations
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Administrative Requirements (check one)

- OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments
<http://www.whitehouse.gov/omb/circulars/a102/a102.html>
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

Cost Principles (check one)

- OMB Circular A-87, Cost Principles for State, Local 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
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>
- 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission 	Typed Name and Title Jeffrey B. Staser, Federal Co-Chair	Date 9-17-2004
Signature of Authorized Official - Alaska Growth Capital, Inc. 	Typed Name and Title David Hoffman, President	Date 9-17-04

*Award Conditions to the Financial Assistance Award
Between the Denali Commission and Alaska Growth Capital
For Alaska Growth Capital Loan Program
Project No. 0095-DC-2003-E1-Amendment 1*

1. *Scope of Work*

This award is to provide technical and financial assistance to businesses in Alaska, with emphasis on Alaska-owned businesses in distressed rural communities. The project will run for 10 years from the date of this award.

All Commission funding is intended for use for the scope of work identified in the Award document only. In the event there is a balance of funding remaining after the full scope of work has been completed, the Denali Commission shall determine how the excess funds will be allocated.

2. *Award Performance Period*

The Award performance period is January 1, 2003 through December 31, 2013. This is the period during which Award recipients can incur obligations or costs against this Award.

3. *Direct and Indirect Costs*

The cost principles of OMB 48 CFR 31.2, Contracts with Commercial Organizations, are applicable to this Award. Indirect costs up to 0% are allowable under this Award. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

4. *Budget and Program Revisions*

The Administrative Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations, applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that Alaska Growth Capital will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

5. *Payments*

Payments under this Award will be made through the U.S. Department of Treasury's Automated Standard Application for Payment (ASAP) system. The ASAP system is the Commission's mechanism for requesting and delivering Federal funds to Award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Commission's Program Manager or Finance Manager for further information about registering with the ASAP program. Payments shall be made in accordance with OMB Circular A-110. **No interest will be accrued on these funds.**

6. Reporting

Two forms of project reporting are required under this Award, listed below. Alaska Growth Capital shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov. If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on an annual basis. The first reporting period is Jan 1st – Dec 31st, and annually thereafter. Reports are due by Feb 28th of each year. Progress reports shall include the following:
 - i. An annual quantitative report on performance against all accountability measures. This report will be in the format of the Community Development Financial Institution (CDFI) annual report. Accountability Measures are described under item 10.
 - ii. 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.
 - iii. Photographic documentation of project progress shall be provided with the progress reports. The photo documentation shall include a minimum of three, dated photos from each business that has received financing during the year. Photos shall be provided in a digital format with a minimum resolution of 300x500 pixels, as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.
- b. An audited financial statement is due April 30th of each year.
- c. 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.
- d. At the end of the **ten-year** performance period (**December 31, 2013**) *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 **10%** 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.

7. *Project Close-Out*

The project close-out shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The Project Close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 6(a).
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall display a sign that acknowledges the Government's support for the project(s) developed under this Award. The Commission will provide an appropriate sign. The Award recipient may request an indoor and/or an outdoor sign from the Commission office. Pickup or delivery of the sign can be arranged at that time.
- d. Acknowledgement of support: For all non-construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The format for acknowledgement of the Government's support for non-construction awards will vary with each award and must be agreed upon between the Award recipient and the Denali Commission Project Manager. Costs associated with this requirement shall be paid out of the project funding received by the Award recipient from the Denali Commission.

8. *Public Policy Laws and Assurances*

Award Recipients are required to comply with the public policy laws and assurances on Standard Forms SF 424b (non-construction projects) or SF 424d (construction projects). This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

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.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

9. *Non-Compliance with Award Conditions*

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

10. *Program Manager, Financial Manager & Other Contact Information*

Denali Commission	Alaska Growth Capital
Paul McIntosh 510 L Street, Suite 410 Anchorage, AK 99501 (907) 271-1640 (907) 271-1415 (fax) pmcintosh@denali.gov	David Hoffman 3900 C Street, Suite 302 Anchorage, AK 99503-5965 (907) 339-6760 (907) 339-6771 (fax) dhoffman@alaskagrowth.com

11. *Accountability Measures*

See Attachment A, Alaska Growth Capital Accountability Measures

Alaska Growth Capital

ACCOUNTABILITY MEASURES - 2004 Award

Note: these measures are in addition to and not in replacement of performance measures related to Alaska Growth Capital Project # 0016-DC-2000-E3

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

	Minimum Level: Annual Evaluation for the Year Ending:												
	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013		Total	
<i>Outstanding</i>	771,819	810,408	850,928	3,020,228	3,020,228	3,020,228	3,020,228	3,020,228	3,020,228	3,020,228		23,574,754	
<i>Satisfactory</i>	540,274	578,865	607,808	2,157,313	2,157,313	2,157,313	2,157,313	2,157,313	2,157,313	2,157,313		16,828,136	
<i>Minimally</i>													
<i>Acceptable</i>	463,092	501,683	526,767	1,869,670	1,869,670	1,869,670	1,869,670	1,869,670	1,869,670	1,869,670		14,579,234	

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

	Minimum Level: Annual Evaluation for the Year Ending:												
	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013		Total	
<i>Outstanding</i>	437,365	463,092	488,819	2,451,527	2,451,527	2,451,527	2,451,527	2,451,527	2,451,527	2,451,527		18,549,963	
<i>Satisfactory</i>	283,001	308,728	334,455	1,677,359	1,677,359	1,677,359	1,677,359	1,677,359	1,677,359	1,677,359		12,667,695	
<i>Minimally</i>													
<i>Acceptable</i>	231,546	257,273	283,001	1,419,304	1,419,304	1,419,304	1,419,304	1,419,304	1,419,304	1,419,304		10,706,949	

