



## Goldman Sachs 10,000 Small Businesses Loan Program Term Sheet

Program	Goldman Sachs 10,000 Small Businesses Loan Program
Borrower	Existing businesses in operation for at least 2 years, no real estate investment or development projects, no financing entities, 4 – 100 employees, revenues between \$150,000 and \$4 million
Lender	VEDC is a not for profit California corporation with charitable designation pursuant to the IRC Section 501(C)(3)
Amount	\$50,000-\$400,000
Purpose	Secured Small Business Loans made to businesses located in the Metro Los Angeles area for working capital, business purchase, equipment, inventory, tenant improvements
Maturity	The stated maturity of each Small Business Loan, shall be determined on a case-by-case basis, however, such maturity date shall not exceed five (5) years. No prepayment penalty.
Fees	3 points plus out-of-pocket costs
Interest Rate	Borrowers shall pay VEDC interest rate up to the Yield for three month LIBOR plus 7.5%, per annum, payable on a monthly basis in arrears. The index of the Yield will be adjusted quarterly and promptly advised to Borrower.
Amortization	The Small Business Loans shall amortize monthly, with up to a fifteen (15) years amortizationschedule, through the stated maturity of each Small Business Loan.

Funding Mechanism	Funds will be made available through controlled disbursements to vendors or, in the case of working capital, controlled amounts for payroll and operating expenses.
Collateral	<p>The Collateral shall consist of the following:</p> <ol style="list-style-type: none"> <li>1. A UCC-1 perfected security interest in the each and every collateral provided in conjunction with the Small Business Loan.</li> <li>2. Real Estate, may comprise 100% of Collateral with maximum LTV of 75% excluding vacant land and land under construction, based on a current appraisal.</li> </ol>
Underwriting Servicing & Collection	VEDC shall provide all services to the loan program with respect to (i) underwriting, (ii) documentation, (iii) servicing and (iv) collections.
Public Benefit	<p>The Small Business Loans, each shall meet either or a combination of the following public benefits:</p> <ul style="list-style-type: none"> <li>o Creation and retention of permanent jobs, with wages at least at not less than the prevailing Living Wage Ordinance, with 51% of the jobs to be for low to moderate-income workforce.</li> </ul>
Guarantee	Each Small Business Loan should be guaranteed for on-going debt service and repayment by corporate and personal guaranty of the respective borrower(s) with 20% or more ownership.
DSC Ratio	The borrower for each Small Business Loan shall demonstrate ability to generate Net Operating Income, before taxes and debt service, at 1.2:1.00 of debt service for the aggregate of debt amount outstanding.
Reporting	On quarterly or monthly basis, with respect to each and every Community Advantage Loan, borrower shall provide VEDC with financial statements and on an annual basis, tax returns.

CONTACT

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