

THE STATE OF TEXAS           §  
   §           KNOW ALL MEN BY THESE PRESENTS:  
 COUNTY OF FORT BEND

**FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN  
 FORT BEND COUNTY AND HOUSTON-GALVESTON AREA COUNCIL  
 REGIONAL REVOLVING LOAN PROGRAM**

This FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN FORT BEND COUNTY AND HOUSTON-GALVESTON AREA COUNCIL REGIONAL REVOLVING LOAN PROGRAM (this "First Amendment") is made by and between **Fort Bend County** ("County"), a political subdivision of the State of Texas, acting by and through the Commissioners Court of Fort Bend County, and the **Houston-Galveston Area Council** ("H-GAC"), a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; each eligible contracting entities under the Texas Interlocal Cooperation Act.

**RECITALS**

WHEREAS, on or about February 25<sup>th</sup>, 2022, the Parties entered into the INTERLOCAL AGREEMENT BETWEEN FORT BEND COUNTY AND HOUSTON-GALVESTON AREA COUNCIL REGIONAL REVOLVING LOAN PROGRAM (the "Agreement") which is incorporated by reference;

WHEREAS, the Parties previously executed the Agreement on February 25th, 2022;

WHEREAS, the Parties now desire to amend the Agreement to add tandem loans as a third loan option in the Regional Revolving loan program;

WHEREAS. The Parties acknowledge and agree that the terms of this First Amendment do not, in any way, change the compensation for Services provided pursuant to this Agreement.

NOW, THEREFORE, the parties do mutually agree as follows:

I. Amendments

A. Section 1 of Exhibit A, Scope of Work in the Agreement is hereby amended to read as follows:

"1) Program Overview: The Houston-Galveston Area Council ("H-GAC") will develop and administer, the Regional Revolving Loan Program ("Loan Program") to mitigate some of the financial impact to qualifying small businesses due to the COVID-19 pandemic within the local government's jurisdiction and service area. The Loan Program will offer grants and fixed interest loans of no lower than 2.5% or the market interest rate at the time of the loan to small businesses ("Borrower") to (1) provide direct grants up to \$50,000 to cover such as costs of working capital, payroll,

accounts payable, rent, mortgages, etc.; (2) provide direct microloans up to \$50,000; provide up to 75% of a business' equity injection (up to \$1,000,000) for bank loans through conventional financing or through SBA, USDA and other government-guaranteed lending programs; or, provide tandem loans in partnership with banks to fund a portion of a business' total loan request (up to \$1,000,000). The Loan Program is designed to be nimble and responsive in order to provide financial support as businesses work towards recovery, resiliency and/ or growth while still combating the challenges presented by the COVID-19 crisis."

B. Section 2 of Exhibit A, Scope of Work in the Agreement is hereby amended to read as follows:

"2) The Loan Program: 20% of the funding from County will be allocated for direct grants of up to \$50,000 and 80% of the funding will be allocated for microloans up to \$50,000 and equity and tandem loans up to \$1,000,000. For equity loans, the Borrower must contribute at least 25% of their required equity injection and the Loan Program will provide the difference up to \$1,000,000; while the remaining funds for the project will come from banking partners and/or government guaranteed loan programs. Microloans do not require an equity injection. For tandem loans, H-GAC will finance a portion of a business' total loan request (up to \$1,000,000) and a banking partner will fund the remaining portion of the business' loan request. H-GAC and the bank will work in tandem to fund the borrower's total request."

C. Section 3 of Exhibit A, Scope of Work in the Agreement is hereby amended to read as follows:

"3) Businesses which received grant funds through other Fort Bend County programs will be eligible to receive funds through this Loan Program.

County may adjust the 20% direct grant and 80% loan allocation by way of amendment to this agreement. Similarly, the County may adjust the maximum thresholds of \$50,000 for direct grants, \$50,000 for microloans and \$1,000,000 for equity and tandem loans by way of amendment to this agreement."

D. Section 3.B of Exhibit A, Scope of Work in the Agreement is hereby amended to read as follows:

"B. Microloans, Equity Loans and Tandem Loans - Program Allocation: The total sum allocated to fund Borrower Microloans, Equity Loans, and Tandem Loans is no more than 80% of the total funding that the County contributes to the Loan Program, unless revised by amendment."

E. Section 3.B.iii of Exhibit A, Scope of Work in the Agreement is hereby added to read as follows:

“iii. Tandem Loans

1. HGAC will offer tandem loans, which finance a portion of a business’s total loan request in conjunction with an HGAC banking partner to fund the borrower’s total request. Basic Loan Terms: Tandem Loans will (i) not exceed \$1,000,000 (unless revised by amendment), (ii) maintain a fixed interest rate for the full term of the loan of no lower than 2.5% or the market interest rate at the time of the loan to small business, whichever is higher, except in cases of default by the Borrower (iii) extend for up to 10 years, (iv) require Borrowers to pay for eligible expenses in an amount no less than the loan and submit documentation of such payments, as requested. Borrower Payments: Each Borrower will be required, following a three (3) month grace period to begin making equal monthly payments (the “Borrower Payments”) equal to 1/120th of its Loan until the end of its Loan term. Borrower Payments will be made directly to H-GAC.”

F. Section 3.C.vii.2 of Exhibit A, Scope of Work in the Agreement is hereby amended to read as follows:

“2. Equity Loans and Tandem Loans: Banks and government loan programs must perform prudent lending practices and meet strict lending standards via federal regulators and legislation. To avoid duplication, redundancy and promote more expedient loan funding, H-GAC will accept partner bank and government loan program staff underwriting and loan approval decisions as the sole and final underwriting decision for receiving an equity loan from H-GAC. H-GAC reserves the right to review any bank approved loan for eligibility, legality, appropriateness, etc. and may opt to deny an equity loan if any issues are discovered.”

G. Section 4.C of Exhibit A, Scope of Work in the Agreement is hereby amended to read as follows:

“C. Loan Funding: For Microloans and Direct Grants, H-GAC will fund after the HGAC Loan Committee approves the funding offer. For Equity Loans and Tandem Loans, H-GAC will fund loans after the bank approves and funds its loan offer and provides documentation of its approval and evidence of funding to H-GAC.”

II. All other terms of the Agreement shall remain in full force and effect as originally written and subsequently amended.

III. Execution

This First Amendment may be executed in several counterparts. Each counterpart is deemed an original. All counterparts together constitute one and the same instrument. Each Party warrants that the undersigned is a duly authorized representative with the power to

execute this First Amendment.

IN TESTIMONY OF WHICH, THIS FIRST AMENDMENT SHALL BE EFFECTIVE UPON EXECUTION OF ALL PARTIES.

FORT BEND COUNTY

DocuSigned by:  
*KP George*  
F546587DD2BD433...

\_\_\_\_\_  
KP George, County Judge

H-GAC

DocuSigned by:  
*Chuck Wemple*  
82EC270D5D61423...

\_\_\_\_\_  
Chuck Wemple  
Executive Director

8/30/2022

\_\_\_\_\_  
Date



8/22/2022

\_\_\_\_\_  
Date

ATTEST:

DocuSigned by:  
*Laura Richard*  
856D5A4BE90F447...

\_\_\_\_\_  
Laura Richard, County Clerk

8/30/2022

i:\agreements\2022 agreements\pct 3\1st amend fina interlocal agreement ft bend\_hgac - 5.16.22 mlt.docx