

The Jewish Community Response and Impact Fund

Covenants/Loan Requirements

The JCRIF Loan Fund is designed to be an emergency relief fund to allow organizations who are likely to be able to repay these loans to have a bridge to alternative sources of funding and/or ordinary course revenue. A guiding principle of these requirements is to ensure that these loans are used for the purposes of the JCRIF Loan Fund – to the extent that you are able to responsibly seek alternative financing and/or repay a loan on an expedited timetable, you are encouraged to do so, as this will increase the funds available for distribution to others in need. The loans are also business transactions with certain conditions and expectations. To that end, we expect the following conditions to be included in the applicable Loan Documents:

- Borrowers will be expected to submit [brief] annual reports regarding loan status and current operations;
- Without the lenders' consent, during the life of the loan, Borrowers will not pay any bonuses to employees, give raises for a Borrower's five (5) highest paid employees, make payments out of the ordinary course of business (other than those identified as necessary responses to the COVID-19 pandemic and attendant circumstances), make material changes to employee benefit packages, contribution or other payments to unfunded pension plans, or fund capital projects;
- Borrowers will be expected to use commercially reasonable efforts to investigate and pursue alternative financing, including but not limited to SBA Loans, bank loans and mortgages on real property;
- Without the lenders' consent, borrowers will not be permitted to incur any other debt, with the exception of SBA/PPP Loans;
- To the extent a Borrower incurs any additional debt, including SBA Loans, unless otherwise waived, the repayment of JCRIF Loan will be accelerated and will be due within thirty (30) days after the date on which such additional debt may first be issued to or drawn down by such Borrower;
- Without the lenders' consent, during the life of a JCRIF Loan, no Borrower will be permitted to pledge or otherwise encumber any assets or revenue streams to any entity for any reason;
- Without lenders' consent, borrower will not be permitted to amend its mission statement, charter, certificate of incorporation, by-laws or other similar governing documents;
- Each Borrower will be required to provide an annual certification confirming compliance with the above-described covenants;
- Loans will be for a term of approximately 4 years. Initial repayments will not be due until 10.5-13.5 months after the date the loan is issued. Payments will be due in twelve equal quarterly installments every 3 months thereafter, for a total of 36 months. Early repayment, if possible, is encouraged, and may allow additional funds to be made available to other organizations in need.