

DRAFT LOAN AGREEMENT

**Between City of Nome and _____ for a Bridge Loan/Short-term
Loan to Promote Recovery from the Impact of Typhoon Merbok.**

Recitals:

- a. The City suffered devastating effects from Typhoon Merbok in September of 2022.
- b. The City has determined that the funds are best utilized to provide short-term loans to businesses impacted by the storm to allow them to continue to serve the community and to avoid disruptions to residents' employment.

Agreement: The parties agree as follows:

1. This Loan Agreement (Agreement) is made this _____ day of _____, 2022, between the City of Nome and _____ (Borrower), for the benefit of _____ (Name of Business).
2. The City will provide a loan to Borrower in the amount of _____. The loan shall be repaid in full, per the terms of the simultaneously executed promissory note, nine (9) months from the date of this agreement. Interest at the rate of ten percent (10%) per annum shall accrue on any unpaid balance.
3. The funds are to be used for the purpose of recovery from the impacts of the recent storm, Typhoon Merbok. Permitted uses include, but are not limited to, repair and maintenance to business premises or equipment, purchasing damaged supplies or wares, payroll, or other business-related expenses. Personal use of the loaned funds is prohibited. The City reserves the right to request documentation of expenditure of the funds. Failure to provide such documentation is a breach of the agreement. This agreement is not transferable and may not be assigned.
4. This Agreement shall be construed and governed by the laws of the State of Alaska. Venue for any dispute related to this Agreement shall lie exclusively with the trial courts for the State of Alaska, Second Judicial District at Nome, Alaska.

Dated: _____.

Dated: _____.

Borrower: _____.

City Manager

Signed: _____.

Signed: _____.