

Agenda

Estes Park Health Board of Directors' Special Meeting

Friday, April 24

1:15 - 2:15 p.m.

Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517

Timberline Conference Room / 888-895-6448 Access Code 7144869430#

Regular Session		Mins.	Procedure	Presenter(s)
1	1:15 pm Call to Order/Welcome	1	Action	Dr. David Batey
2	Approval of the Agenda	1	Action	Board
3	Public Comments on Items Not on the Agenda		Information	Public
4	Open Action Items			
4.1	Resolution 2020-05: Approval of SBA Loan From Payroll Protection Program as Support for COVID-19 Expenses	10	Action	Board
5	Adjourn - April 24, 2020 Special Board Meeting	1	Action	Dr. David Batey
<i>Total Regular Session Mins.</i>		13		

Next Regular Board Meeting: Monday, April 27, 2020 4:00 - 6:00 pm

RESOLUTION 2020-05

**APPROVAL OF SBA LOAN FROM PAYROLL PROTECTION PROGRAM
AS SUPPORT FOR COVID-19 EXPENSES**

WHEREAS, the Park Hospital District, d/b/a Estes Park Health (the “District”), seeks approval of a loan of \$4,800,000 from the Small Business Administration and the Payroll Protection Program of the 2020 CARES Act, for seventeen (17) months (financed through the Bank of Colorado on substantially the terms attached hereto as Exhibit A), for the purposes of adequate funds for the payroll cost over an eight (8) week period; and

WHEREAS, with compliance of specific terms noted in the Agreement, this loan is forgivable; and

WHEREAS, the Finance Committee of this Board of Directors has recommended the Financing in the form presented; and

WHEREAS, this Board of Directors desires to authorize certain officers of the District to approve and negotiate additional details of the Financing.

NOW, THEREFORE, this Board of Directors resolves as follows:

RESOLVED, that the terms, conditions and provisions of the Financing are in all respects authorized and approved and recommended.

FURTHER RESOLVED, that the Chief Executive Officer and the Chief Financial Officer of the District are authorized to take all such further action and to execute, deliver, file and record as appropriate all such documents, instruments, uniform commercial code financing statements, certificates and other documents, in the name and on behalf of the District or otherwise as in their judgment shall be necessary or convenient to carry out the intent and to accomplish the purposes of these resolutions and the Financing.

ADOPTED by the Board of Directors of Park Hospital District, d/b/a Estes Park Health this 24th day of April 2020.

**PARK HOSPITAL DISTRICT
d/b/a ESTES PARK HEALTH**

By: _____
David M. Batey, Chair

ATTEST:

Diane Munro, Secretary

EXHIBIT A

ATTACH TERM SHEET



NOTE

SBA Loan #	96808371-09
Bank Loan #	7770002690
SBA Loan Name	Park Hospital District
Date	04/24/20
Loan Amount	\$ 4,800,000.00
Interest Rate	1.00%
Borrower	Park Hospital District
Operating Company	N/A
Lender	Bank of Colorado

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of
Four Million Eight Hundred Thousand

Dollars, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

Borrower will pay this loan in 17 payments of \$ \$270,177.41 _____ each payment and an irregular last payment. Borrower's first payment is due 11/24/2020 _____ and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on 04/24/2022 _____ and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest, then to principal. Borrower will pay at Lender's address. If a payment is made consistent with Lender's payment instructions but received after 5:00p.m. based on your branch time zone, Lender will credit Borrower's payment on the next business day.

INTEREST CALCULATION METHOD. Interest on the Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.



4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:



- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.



- H. Borrower hereby agrees to execute and deliver to Lender any other documents or instruments which may be required by the SBA to further document the loan evidenced by this Note, including any modification or change in terms of this Note, required by the SBA or any SBA regulations or guidance issued after the date of this Note.
- I. ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the reasonable costs of such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.
- J. JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.
- K. DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$28.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.
- L. RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.
- M. CONSENT. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.
- N. FURTHER ASSURANCES. The undersigned Borrower, for and in consideration of the Lender funding the closing of this loan, hereby agrees to execute and deliver to Lender any other documents or instruments which may be required by the SBA to further document the loan evidenced by this Note, including any modification or change in terms of this Note, required by the SBA or any SBA regulations or guidance issued after the date of this Note.

10. STATE-SPECIFIC PROVISIONS:

Colorado Borrowers:

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Colorado.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of any state or federal courts in the State of Colorado.

Arizona Borrowers:

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Arizona without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Arizona.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of any state or federal courts in the State of Arizona.

New Mexico Borrowers:

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of New Mexico without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of New Mexico.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of any state or federal courts in the State of New Mexico.

Nebraska Borrowers:

NOTICE - WRITTEN AGREEMENTS. A credit agreement must be in writing to be enforceable under Nebraska law. To protect Borrower and Lender from any misunderstandings or disappointments, any contract, promise, undertaking or offer to forbear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit must be in writing to be effective.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Colorado.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of any state or federal courts in the State of Colorado.

Kansas Borrowers:

By signing this document each party represents and agrees that: (A) the written loan agreement represents the final agreement between the parties, (B) there are no unwritten oral agreements between the parties, and (C) the written loan agreement may not be contradicted by evidence of any prior, contemporaneous, or subsequent oral agreements or understandings of the parties.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Colorado.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of any state or federal courts in the State of Colorado.

Jury Waiver:

Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.



11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

BORROWER:

Authorized Signer

Authorized Signer



Thank you for allowing Bank of Colorado/Pinnacle Bank to help you with your Paycheck Protection Program (PPP) Loan. We hope the PPP loan program helps you and your business through these trying times.

Now that your loan is funded, we want to provide you with some reminders and helpful resources to ensure maximum forgiveness on your loan.

Please note that the forgiveness of your loan is determined by the rules set forth by the SBA in response to the implementation of sections 1102 and 1106 of the CARES Act, not Bank of Colorado/Pinnacle Bank, and are subject to change by the SBA. Please refer to SBA.gov and Treasury.gov for more details and any updates.

What can I use my PPP Loan for?

- Payroll costs, including benefits.
- **Interest** on mortgage payments, if mortgage was outstanding before February 15, 2020.
- Rent, under lease agreements in force before February 15, 2020.
- Utilities, for which service began before February 15, 2020.

How much of my loan will be forgiven? All of it if you meet the following requirements:

- Use funds **ONLY** for the items mentioned above,
- Funds are used **within** 8 weeks of loan closing,
- Employee levels are maintained or back to previous levels by June 30, 2020, and
- Employee compensation levels are not decreased more than 25%, for any employee that made less than \$100,000 annualized in 2019.

How will I end up owing money on my loan?

- If you do not maintain your staff and payroll.
 - Loan forgiveness will be reduced if you decrease the number of full-time employees.
 - Loan forgiveness will also be reduced if you decrease salaries/wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.

How do I request loan forgiveness?

- Submit a request to the Bank of Colorado/Pinnacle Bank lender servicing the loan.
- In that request, include certifying documentation showing number of full-time employees, pay rates, as well as the payments on eligible mortgage, lease, and utility obligations during the 8 weeks following your loan funding.
- You must certify that all documentation provided is true and correct.
- A decision on forgiveness will be made within 60 Days of receipt.

To help you track your loan usage and ensure maximum forgiveness, we've created a PPP Loan Tracker Tool that can be downloaded on our website, <https://www.bankofcolorado.com/CARES>.

Thank you for being a Bank of Colorado/Pinnacle Bank customer!



This Statement of Policy is Posted
In Accordance with Regulations of the

Small Business Administration

This Organization Practices

Equal Employment Opportunity

We do not discriminate on the ground of race, color, religion, sex, age, disability or national origin in the hiring, retention, or promotion of employees; nor in determining their rank, or the compensation or fringe benefits paid them.

This Organization Practices

Equal Treatment of Clients

We do not discriminate on the basis of race, color, religion, sex, marital status, disability, age or national origin in services or accommodations offered or provided to our employees, clients or guests.

**These policies and this notice comply with regulations
of the United States Government.**

Please report violations of this policy to :

**Administrator
Small Business Administration
Washington, D.C. 20416**

In order for the public and your employees to know their rights under 13 C.F.R Parts 112, 113, and 117, Small Business Administration Regulations, and to conform with the directions of the Administrator of SBA, this poster must be displayed where it is clearly visible to employees, applicants for employment, and the public.

Failure to display the poster as required in accordance with SBA Regulations may be considered evidence of noncompliance and subject you to the penalties contained in those Regulations.