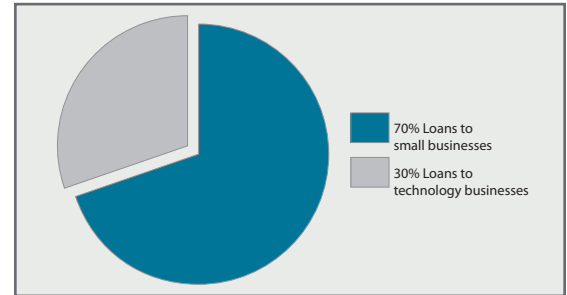


## The VOLT Fund

### *Small, Minority, Veteran and Women-Owned Business Loan Program*

#### LOANS TO SMALL BUSINESSES

- \$25,000 - \$500,000
- Priced at below current market interest rates
- Eligible purposes: business acquisition, commercial real estate acquisition, building improvements, equipment purchase, leasehold improvements, business start-up costs, refinancing of existing debt, except refinancing where the lender is in position to take a loss, and working capital
- Eligible entities include start-ups and existing businesses
- Use of standard underwriting practices; factors to be considered include repayment capacity, financial strength of the company and guarantors, industry and management experience, and collateral protection
- Settlement facilitated with the assistance of outside attorneys
- Post-closing: Servicing, loan monitoring, billing, and collections administered by AAEDC financial services staff



#### Loan Requirements

- Personal credit (640 or above)
- Historical Debt Service Coverage Ratio (DSCR) of 1.00x or projections with assumptions showing 1.00x DSCR
- Collateral required when available
- All owners over 20% must personally guaranty the loan
- Life insurance on owner/guarantor where no valid succession plan is in place
- Minimum equity injection of 10% for start-up businesses
- Business plan required for start-up businesses

#### LOANS TO TECHNOLOGY BUSINESSES

- Loans to promising early stage companies to help attract follow-on funding from venture capital firms, angel investors and other sources
- Loans of \$100,000 to \$250,000
- Funds from The VOLT Fund program are a long term loan with no principal or interest payments until the company experiences a liquidity event, preferably within 24 months of the loan closing. A liquidity event is defined as an acquisition, investment from venture capital/angel investors or private equity firms, or an initial public offering (IPO).
- Within 60 days of the liquidity event the company will pay a one-time ten percent (10%) earnest payment to The VOLT Fund and then, based on company cash flow, the company will make monthly principal payments for 36-60 months.

#### Eligibility Criteria for Technology Businesses – Ideal applicants will meet most or all of the following criteria:

- High potential early stage small, minority and women-owned technology company with clear path to follow-on funding, particularly engaged in cybersecurity, energy, life sciences or Health IT
- Affiliated with a business incubator that is a member of the Maryland Business Incubation Association (MBIA) is preferred, but not mandatory
- Defendable intellectual property with clear ownership or licensing arrangement
- Team led by an experienced entrepreneur or demonstrates willingness to acquire needed management talent
- Recognizable \$20 million addressable market
- Cash flow break-even is reached within 24 months



A loan program managed by the Anne Arundel Economic Development Corporation  
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# THE VOLT FUND - BUSINESS LOAN PROGRAM TARGET AREAS

Half of the fund's investment will be targeted to small, minority and women owned businesses located within a ten mile radius of Maryland's five existing casinos, Maryland Live in Anne Arundel County, Hollywood Park in Cecil County, Ocean Downs in Worcester County, Rocky Gap Casino in Allegany County, and Horseshoe Casino in Baltimore City. The other half will be available to small businesses throughout Maryland.

