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Announcing the Launch of the Telluride Regional Loan Fund:

***Supporting business startup, growth, and job creation
in southwest Colorado***

TELLURIDE, Colo. (June 26, 2019) - The Telluride Foundation is excited to announce the launch of the Telluride Regional Loan Fund, a \$2 million operating working capital loan fund designed to support rural business startup, growth and job creation and retention in southwest Colorado. The Loan Fund is a partnership with ZOMALAB and First Southwest Community Fund.

The Telluride Loan Fund is a working capital fund designed to help companies with their day-to-day expenses. The purpose of the fund is to help uniquely rural and un-bankable businesses bridge the capital gap until they can become commercially bankable. Companies can qualify for \$25,000 to \$100,000 secured working capital loans at rates comparable to market rates. The fund was created in such a way as to help businesses transition smoothly from a bridge loan to commercial loan at market rates. Loans will be available in Ouray, Montrose, Dolores, San Miguel and San Juan counties.

“The communities that rural businesses operate in have been significantly affected by the recent economic downturn, and the capital landscape has changed,” said Bonnie Watson, Capital and Transaction Advisor of the Telluride Foundation. “Not only has human capital left these economically distressed areas, but the banks, that for many years provided traditional capital for small businesses, have left as well. The Telluride Regional Loan Fund was created to change this dynamic by designing rural capital to work in the economic landscape facing rural Colorado and to be deployed by people who understand these challenges on a local level. Being able to help these businesses find capital is a major step forward in rebuilding our communities.”

The first loan will be to Family Market in Naturita to help with some repairs and upgrades to the building. Family Market has been the sole Naturita grocery store, located on Highway 145, since the 1980s. "Due to the mines closing, it's critical for our business to stay in operation," said Kim Hainy owner of Family Market

"We're eager to get this money to startup businesses that don't have options for early funding," said Kent Curtis, FSWCF president. "Our goal is to help these businesses gain a stable financial footing so they, in turn, can create business growth and better jobs in this region. We are thrilled that ZOMALAB recognizes the need and invests in the opportunities growing in rural Colorado."

"First Southwest Community Fund and the Telluride Foundation are leaders in thinking innovatively about economic development in Colorado, and we look forward to our partnership with them," said Ben Walton from ZOMALAB.

There is a significant and growing divide between urban and rural America. The difference is defined by the absence of critical community pillars in rural communities. In our urban areas two of the most significant community pillars are human capital and jobs, and they exist in significant quantities. However, in our rural areas human capital and jobs have decreased in alarming numbers due to a decrease in economic health. Among these critical community pillars, community banks have also deserted rural Colorado communities, leaving businesses in a severe state of distress when it comes to their capital requirements. Rural America is ripe for potential but is starving for capital.

Many people think of agriculture when they think of rural America, but the true pulse of a rural economy is small business, and small businesses need capital to survive. With the exit of community banks, how do we continue to support the capital needs of our rural communities? Many people believe equity is the answer. The challenge with equity investment in rural areas is that many of the companies that are started by entrepreneurs are not high growth companies and therefore do not produce high rates of return for investors. In general, rural communities do not attract businesses that return investors with a high rate return due to a lack of infrastructure and human capital, among other factors. Rural communities rely on unique main street, small business to help their economy thrive, and so they need a unique capital solution to fuel capital needs in a changing economy.

Debt becomes the answer for many of these communities and while it may not sound unique, the Telluride Regional Loan Fund understands and identifies with the challenges of rural communities in a way community banks cannot. This understanding has allowed the Loan Fund to create a vehicle that is less restrictive on rural businesses than traditional lending. In rural communities, debt makes sense as it can be supported and paid back by the normal revenue generated by these businesses without comprising the financial health of the company by expecting unrealistic growth rates.

For more information about the Telluride Regional Loan Fund, please contact Bonnie Watson at bonnie.watson.colorado@gmail.com.

About the Telluride Foundation:

The Telluride Foundation is committed to enriching the quality of life of the residents, workforce, and visitors of the Telluride region. It is a nonprofit, apolitical community foundation that makes grants and runs programs in arts, education, health and human services, community development, and social enterprises. The Foundation strives to achieve excellence for the community through its mission and core values of inclusion, self-reliance, and innovation. Our work is funded through the generous support of hundreds of donors as well as grants from state and national foundations. For more information on the Telluride Foundation visit www.telluridefoundation.org.

About ZOMALAB:

ZOMALAB, a Denver-based private family office founded by Ben and Lucy Ana Walton, seeks to catalyze bold and innovative solutions to issues facing Colorado and Chile, with the goal of building resilient, thriving communities that will endure for generations to come. ZOMA focuses on community economic development, workforce development, early childhood development, water, and energy. For more information visit: www.zomalab.com.

About First Southwest Community Fund:

First Southwest Community Fund (FSWCF), a 501c3, supports the dedicated entrepreneurial spirit of rural Colorado, by investing in the people, culture, and ideas that fuel innovation and financial knowledge in our communities. FSWCF's primary mission is

to support tangible economic opportunities throughout rural Colorado, with an emphasis on areas of greatest need. FSWCF makes much needed non-traditional capital (loans) available to businesses that may not yet be bankable, which in turn creates, retains and grows jobs. FSWCF is supported by First Southwest Bank, a designated Community Development Financial Institution. Please find more information about First Southwest Community Fund at fswcf.org.

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