



## Notice of Public Meeting

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**Committee:** Economic Development  
**Date:** Thursday, June 15, 2023  
**Time:** 10:00 a.m. or immediately following the Finance Committee Meeting  
**Location:** 3<sup>rd</sup> Floor County Board Room  
**Remote Access:** [Click here to join the meeting](#)

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The meeting is open to the public, but portions of the meeting may be closed if this notice indicates that the committee may convene in closed session. The following matters may be considered and acted upon at the meeting, but deviations from the order shown may occur:

1. Call to Order
2. Roll Call of Members
3. Public Comment Regarding Posted Agenda Items
4. Review/Discussion/Action ~ Approval of the Previous Meeting Minutes
5. Review/Discussion/Action ~ Revolving Loan Fund Policy Update
6. Review/Discussion/Action ~ Flyway Trail Update
7. Review/Discussion/Action ~ Broadband Update
8. Review/Discussion/Action ~ BEAD Broadband Grant
9. Review/Discussion/Action ~ Economic Development Website Proposal
10. Review/Discussion/Action ~ Economic Development Meeting Held in Fountain City
11. Review/Discussion ~ Committee Chair Report
12. Review/Discussion/Action ~ Next meeting date and time
13. Adjournment.

Date: June 8, 2023

Max Weiss, Chairperson

By: Roxann M. Halverson, County Clerk

**Board Members:** If unable to attend, please contact the Chair. If the Chair is unavailable, please contact the County Clerk's Office at 608-685-6209. If the Chair and the County Clerk are not available, please call the Administrative Coordinator at 608-685-6234.

**Persons with Disabilities:** Buffalo County shall attempt to provide reasonable accommodations to the public for access to its public meetings, provided reasonable notice of special need is given. If you require special accommodations to attend this meeting, please contact the County Clerk's Office at 608-685-6209.

**Public Access to the Courthouse:** The South Entrance will be the only access to the building after 4:30 p.m.

*Persons who are members of another governmental body, but who are not members of this committee, may attend this meeting. Their attendance could result in a quorum of another governmental body being present. Such a quorum is unintended, and they are not meeting to exercise the authority, duties, or responsibilities of any other governmental body.*

## BUFFALO COUNTY MINUTES

Committee of the Board: Economic Development Committee

Date of the Meeting: Thursday, April 20, 2023

The meeting was called to order by Chair Max Weiss at 9:52 a.m.

**Board Members Present:** Mr. Max Weiss, Mr. Brian Michaels, Ms. Carol McDonough, and Mr. John Hadley. Mr. Taylor was excused.

**Others Present for All or Parts of the Meeting:** Mr. Lee Engfer, Ms. Roxann Halverson, Mr. Bill Hedberg, Mr. Dennis Bork, and Ms. Lisa Schuh (Teams).

**Public Comments regarding Agenda Items:** None.

**Review/Discussion/Action regarding the Previous Meeting Minutes:** Mr. Michaels made a motion to approve the previous meeting minutes, seconded by Ms. McDonough. Carried.

**Review/Discussion/Action regarding the Revolving Loan Fund Policy:**  
The policy was reviewed. Mr. Bork suggested language to limit how many times a person could ask for funds, how much funding could be obtained per person, having a floating interest rate, and giving reduced real estate taxes instead of a loan. Mr. Hedberg reviewed the current interest rate language that follows the prime rate and varies on the type of loan. He also reviewed the need to have a loan committee and who should be on it. The EDC Committee would like the loan committee to only be able to recommend or not recommend approving a loan and allow either the EDC Committee or full County Board to make the final decision. It was decided to have the loan amount set at 20% of the needed amount of a maximum of \$10,000.00 and only one loan allowed per person. This will be brought back to a future meeting.

**Review/Discussion/Action regarding a Flyway Trail Update:** Mr. Engfer explained the Phase 2 costs are higher than expected but the Flyway Trail Committee will cover those costs. He also explained washouts that have been happening on the first part of the trail and work he has done to correct the issue.

**Review/Discussion/Action regarding a Broadband Update:** If everyone requested funding the allotted amount would be overbudget. This is unlikely as there is a limited time to get the project planned and completed by the deadline. Mr. Hedberg has been working on the BEAD grant. This is a broadband planning grant.

**Review/Discussion/Action regarding the Economic Development Meeting Held in Fountain City:** Mr. Hedberg explained that Travel Wisconsin put on a

meeting with various businesses in an effort to find ways to expand tourism throughout Buffalo County. They will meet again on May 23, 2023, at the Monarch in Fountain City at 1:00 p.m. There needs to be more tourism outreach efforts in Buffalo County to showcase all there is to do and see. Mr. Hedberg has received quotes from two companies that can create a website and one does media outreach to showcase Buffalo County. He will send these quotes to the Committee to discuss at the next meeting.

**Review/Discussion regarding the Committee Chair Report:** None.

**Review/Discussion regarding Public Comments:** None.

**Review/Discussion/Action regarding the next meeting date and time:** The next meeting will be June 15 at 10:00 a.m. or immediately following the Finance Committee meeting.

Mr. Hadley made a motion to adjourn at 11:14 a.m., seconded by Ms. McDonough. Carried.

Respectfully submitted,

Roxann Halverson  
Buffalo County Clerk

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## SECTION 1. GENERAL PROVISIONS

### **1.1 PURPOSE**

The purpose of the policies and procedures contained within this manual, hereafter referred to as the Buffalo County Economic Development Loan Manual, is to present the criteria which governs the economic development activities assisted with the funds made available through Buffalo County.

### **1.2 OBJECTIVES**

Economic development activities assisted with the funds made available through the Economic Development Loan Program are intended to meet the following objectives:

1. To encourage the leveraging of new private investment into Buffalo County in the form of fixed asset investment, particularly in land and buildings.
2. To perpetuate a positive and proactive business climate which encourages the retention and expansion of existing businesses and helps to attract desirable new businesses.
3. To implement Buffalo County's Economic Development Strategy.
4. To encourage the development and use of modern technology and create safe work environments.

### **1.3 AMENDMENTS and MODIFICATIONS**

Buffalo County may from time to time amend the provisions imposed by the policies and procedures contained within this manual.

## SECTION 2: COMMITTEE

### **2.1 LOAN REVIEW BOARD**

1. Buffalo County shall establish a formal Loan Review Committee which shall consist of a minimum of four individuals' representing broad community interests, and having special expertise and knowledge of commercial lending and economic development processes. Expertise on the committee optimally shall include representation from the governing body, local development corporation, the local banking community, a business law attorney, and the RFL administrator appointed by the community.
2. The Loan Review Committee can make recommendations for policy changes and updates for the program. Any changes must be approved by the Buffalo County Board of Supervisors. Annual activity reports prepared by the Committee shall be provided to the members of the Buffalo County Board of Supervisor
3. The RFL Administrator shall explain the Program to prospective applicants, provide written information, assist applicants with completing application, and process requests for financing. The RFL Administrator, where necessary and appropriate, shall counsel or guide loan applicants to other more appropriate financial resources when the loan applicant has needs beyond those available from the RFL program.
4. The RFL Administrator shall periodically review all financial statements and loan amortization

schedules of loan recipients, review and approve documentation of business expenditures finances, record security instruments, and maintain the accounting records which shall be segregated from other community accounts.

5. Buffalo County's attorney shall prepare all loan agreements, review all promissory notes and mortgage and lien instruments, and counsel the County on default matters.
6. The RFL Administrator shall be responsible for the maintenance of all other records for the RFL, particularly those related to the expenditures of the RFL monies for program administration purposes.

## **2.2 MEETINGS**

Loan review meetings shall be held on an as-needed basis. All committee members and the general public shall be given prior notice of each meeting. All meetings shall be held in accordance with the Buffalo County Rules of the Board for determining quorum.

## **2.3 RECORDS**

Written records of all program activities, including program meetings, loan applications, and related documents shall be maintained in appropriate files. All files shall be maintained in a secure place with limited access by authorized personnel. Legal counsel shall be consulted in regard to compliance with state and municipal open records laws.

The following shall be established and maintained for each loan recipient:

1. Loan Application File: This file contains all application, business financial statements, personal financial statements, credit reports, business loan documents, and other supporting loan information submitted to Buffalo County, including all applicable correspondence.
2. Loan Recommendation File: This file contains a summary for the analysis, recommended actions for the application and a copy of the minutes for the Loan Review Committee summarizing the action on the loan request.
3. Loan Closing File: This file contains copies of all loan-closing documents. All legal documents from the loan closing, including security instruments, the note and other applicable correspondence shall be placed in a secured place. Legal Counsel shall be involved in helping create and complete this file to ensure complete loan documentation. Copies of the loan closing documents and an amortization schedule will be provided to the loan recipient, along with an invoice, if applicable, for loan closing and servicing fees.
4. "Tickler File" System: A tickler file system shall be established and maintained to ensure that loan repayments, financial information, the loan agreement, UCC updates and other time sensitive documentation requirements are tracked and obtained as required. The system should include the following monthly coded index files:
  - a. Expiration dates for property, and casualty insurance policies;

b. Expiration dates for UCC financing statements, the reminder to update being at least 45 days to the expiration for the UCC filing on hand;

c. Due dates for property tax payments

5. Repayment Monitoring File: This file includes the loan amortization schedule, status of payments and the outstanding balance of the loan. Observations suggesting concerns or problems shall be reported to the Loan Review Committee and notations shall be placed in the tickler file to remind the administrator of the need to provide continued monitoring. The Loan Program Administrator may request financial records for review of the business at any time. If payments are made to controllers or clerks, the file will contain receipts of payments there needs to be a system in place to ensure the timely notification of payments to the Economic Development Loan Administrator.

Buffalo County will notify the loan recipient in writing of the deficiency and the action that will be taken should the payment not be made. Should there be a late payment; Buffalo County will contact the loan recipient to determine the reason for the delayed payment. Contact may need to be made with the other participating lender(s) to determine if their loans are current and to alert the lender of a potential problem. All payments shall be applied first to accrued late payment penalties, then to interest accrued and then to principal.

6. Loan Review File: All loans are reviewed on an annual basis, and at such other times as may be deemed necessary by Buffalo County Board or Loan Review Committee. A report on the loan review shall be in the file and address the following: timeliness of monthly payments; condition of collateral securing the loan and status of security documents (i.e., mortgages, UCC filings); and violations of loan covenants and suggested corrective actions.

If the business is experiencing problems with any of the above criteria, the RFL Administrator is to work with the loan recipient to identify actions that are needed to correct the identified deficiencies, including possible restructuring of the loan to protect the Community's interest and meet the needs of the business. If appropriate, the Administrator will arrange for business assistance including resources available through the University of Wisconsin-Extension, Small Business Development Center (SBDC), the Service Corp of Retired Executives (SCORE) and other entities having an interest in serving the needs of businesses.

In the event the findings of the loan review suggest serious problems, particularly if the loan is at risk of default, the accounts should be turned over to Legal Counsel for legal action in order to initiate steps necessary to protect the loan and to ensure the maximum repayment of the balance due. Again, corrective actions may be achieved through restructuring or if necessary, foreclosure actions.

## **2.4 ADMINISTRATION**

Reasonable administrative funds may be withdrawn from the Economic Development Loan Account to cover personnel costs and other administrative expenses.

1. Legal Costs

2. Consulting fees for credit analysis, business plan reviews and technical assistance.

3. Office supplies, copying, typing, mailing, mileage and related
4. Training costs.

A \$250 closing cost will be charged to cover charges directly related to processing loan application.

### **SECTION 3: ELIGIBILITY CONSIDERATIONS**

#### **3.1 ELIGIBLE AREA**

The area served by the Economic Development Loan program shall generally be within the corporate limits of Buffalo County.

#### **3.2 ELIGIBLE APPLICANTS**

1. Applications may be submitted by the sole proprietor or Chief Executive Officer of any business wishing to establish a new operation or expand an existing operation (except those listed under 3.5) in Buffalo County.
2. No member of the governing body, Loan Review Committee, or any official, employee or agent of Buffalo County who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program.
3. Applicants shall not be disqualified based on age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), sexual orientation or national origin.
4. Applicants who have previously received a loan through this program are not eligible.

#### **3.3 ELIGIBLE ACTIVITIES**

Program loans shall be available to eligible applicants for the following activities:

1. The acquisition of land, buildings, and fixed equipment.
2. Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment.
3. Clearance, demolition or the removal of structures or the rehabilitation of buildings and other such improvements.
4. The payment of assessments for sewer, water, street and other public utilities if the provision of the facilities will directly relate to the applicant.
5. Working capital (inventory and direct labor costs only).
6. Equipment directly related to the business.

#### **3.4 INELIGIBLE ACTIVITIES**



Program loans shall not be available for the following activities:

1. Reimbursement for expenditures prior to loan approval.
2. Specialized equipment that is not essential to the business operation.
3. Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation).
4. Routine maintenance
5. Professional services such as feasibility and marketing studies, accounting, management services and other similar services. Legal services incurred in the closing of this loan are eligible.
6. Purchase of livestock.
7. Other activities that the Buffalo County Board or Loan Review Committee may identify during the administration of the program.
8. Activities prohibited by 24 CFR 570.482 (h).

### **3.5 INELIGIBLE BUSINESSES**

Program loans shall not be available for the following businesses:

1. Speculative investment companies
2. Real estate investment companies
3. Lending institutions
4. Gambling operations
5. Non-public recreation facilities.
6. Other businesses not serving the interests of the Community.
7. Non-profit organizations

### **3.6 MINIMUM REQUIREMENTS**

To be eligible for funding, a proposed project must meet all of the following minimum requirements:

1. **Financial Feasibility and Business Viability.** The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds.
2. **Compliance with Applicable Laws.** Applicants shall comply with applicable local, state and federal laws and codes.

3. **Project Completion.** Projects will be complete within 24 months from the of loan approval. Applicants shall provide the Community with a project implementation schedule not exceeding 24 months for project completion.

#### **SECTION 4: TERMS AND CONDITIONS**

##### **4.1 TERMS AND CONDITIONS**

Loan terms and conditions shall be structured on need and ability to repay. Minimum standards shall include the following:

1. **Loan Amount.** Loan amounts are subject to the availability of program funds and the purposed project. In general, the following maximums apply:

Working Capital: \$10,000

Equipment: \$10,000 With a combined loan-to-value of 70%

Real Estate: \$10,000 With a combined loan-to-value ratio of 90%

\*\*\*All loans are subject to available funds.

*Note: These are a general guideline. The committee has discretion to review these terms based on the loan application.*

2. **Equity.** Each project will require a minimum of 10% equity.

3. **Interest Rate.** Interest rates are as follows:

Real Estate: Prime plus 0.5%

Equipment: Prime plus 1%

Working Capital: Prime plus 1.5%

\*\*\*The interest rate shall never be lower than 4.25%.

4. **Terms for Loans.**

a. Working capital loans shall have a maximum term of five (5) years.

b. Equipment loans shall have a term of 5 years and maximum amortization of ten (10) years.

c. Real estate loans shall have a term of 5 years and a maximum amortization of twenty (20) years.

d. The committee has the authority to consider alternatives to the terms when appropriate.

5. **Period of Payment.** Amortization schedules shall be set up for monthly payments with all payments

due the 1<sup>st</sup> of the month.

6. Repayment. Payment of interest and/or principal may be deferred during the implementation period of the assisted activity if merited in the loan application. Interest shall accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, monthly interest and principal shall be paid for the remaining term of the loan.
7. Prepayment. There shall be no prepayment penalties.
8. Collateral. Buffalo County will seek to have real estate as first collateral option. If real estate is not an option, Buffalo County will seek to have the best possible collateral position possible to ensure that Economic Development loans are adequately secured.
9. Closing Costs. A \$250 closing cost will be applied to all loans at closing.

## **SECTION 5: APPLICATION PROCESS**

### **5.1 DISCUSSION OF REQUIREMENTS**

Prior to submitting application, the applicant shall discuss the program with the Administrator. The Administrator shall assist the applicant, as is reasonably necessary, in completing the application. All financial information shall be kept in a secure place with limited access by authorized personnel only.

### **5.2 TIMING**

Applications may be submitted any time during the calendar year.

### **5.3 PRIORITY**

Applications shall be reviewed in the order received and based on readiness for the proposed project to proceed. In the event that loan funds requested exceed available funds, the following criteria will be used to determine which business(es) will be awarded the loan(s):

1. Eligibility of the applicants.
2. Eligibility of the project to be undertaken.
3. The extent to which private funds are to be leveraged.
4. The extent to which the loan can be secured.
5. Evidence of ability to repay the loan.
6. Size of the loan requested.
7. Timing of the proposed expenditures.
8. Completeness of application.

9. Other factors as deemed appropriate.

#### **5.4 LOAN APPLICATION**

Applicants shall apply using the form available from the Economic Development Loan Program and that includes the following:

1. Business Description. A Written description of the business, including the following:
  - a. A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, markets and products.
  - b. Key customers and clients.
  - c. A personal resume of each principal associated with the business including:  
  
Number of years of experience in the business; educational background; and role in the proposed or existing business.
  - d. Two years of financial history including balance sheets, YTD profit/loss statements, cash flow statements and 2 years of personal and business tax returns.
2. Project Description. A description of how the business plans to use the requested funds.
3. Commitments from Private Lenders. This consists of commitments from all private lenders making loans to the project. Lender commitment letters should include:
  - a. Description of the type of loan being made by the lender (first mortgage, permanent financing, construction financing, etc.)
  - b. The amount of the loan, interest rate, term and security, availability, and repayment schedule and amounts.
  - c. These commitments shall be obtained concurrently with the negotiation of the terms and conditions of the Economic Development Loan Program loan to ensure the interest of Buffalo County is secured.
4. Projections. Provide pro formas (a balance sheet & income statement and cash flow statement.) These should cover current and proposed cash flow based on the assumption that the business will receive the requested loan.
5. Additional Information. Additional information as may be required by the Loan Review Committee, or the Administrator.

#### **5.5 REVIEW PROCESS**

Specific steps in the review process include the following:

1. Preliminary Review. The Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements provided in Section 3.6. In addition, the

administrator and/or the attorney may review other records such as tax records, status with Department of Financial Institutions and Department of Revenue, and may conduct a background check. If the application is not complete, the Administrator will inform the applicant of the deficiencies. The administrator shall have no less than 2 weeks to review an application.

2. Formal Review. The Loan Review Committee will meet to review an application within 30 days of the receipt of a completed application or at some other predetermined schedule. All businesses are encouraged to attend this meeting to answer any questions committee members may have.
3. Negotiation of Terms. Upon acceptance by the governing body, the Administrator will contact the business in writing to review and explain the terms of the loan.
4. Notice of Award. If the business agrees to the Buffalo County Economic Development Loan Program terms, a closing will be scheduled to execute the necessary loan documents.
5. Rejection of Award. If the application is not approved, the Administrator will send a letter to the applicant stating the reasons for rejection and offer to meet with the applicant to explore ways to strengthen the loan request or to identify alternative funding sources.

## **SECTION 6: DISTRIBUTION OF FUNDS**

### **6.1 LOAN PROCEDURES**

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

1. Notice of Award. The Loan Review Committee and the Buffalo County Board of Supervisors must have reviewed and approved a complete application for an eligible application.
2. Loan Agreement. Legal Counsel shall prepare a loan agreement, which shall be executed by the Chair, Buffalo County Board of Supervisors.
3. Promissory Note. A promissory note shall be prepared by Legal Counsel and signed by the Buffalo County Board of Supervisors Chairman at the time of loan closing. The note must be dated; it must reference the amount and terms of the loan funds delivered.
4. Security. Mortgage or lien instruments and personal guarantees provided as security for all loans shall be prepared by Legal Counsel, and executed at the time of the loan closing. Legal Counsel or Administrator, shall record the instrument and place a copy in the project file to include:
  - a. Mortgage and/or security agreement.
  - b. UCC searches and filing.
  - c. Guarantee agreement.
  - d. Title insurance or Abstract.
  - e. Personal Guarantee.

- f. Other documentation as may be appropriate.
5. Repayment Schedule. A loan repayment or amortization schedule shall be prepared by the Administrator after the loan proceeds are fully disbursed. A copy shall be provided to the business for their records and copy shall be included in the administrator's file.
  6. Evidence of Permits, etc. Documentation must be provided by the applicant that all necessary permits, licenses, and any other registrations required have been obtained by the applicant prior to the release of program funds.
  7. Evidence of Program Expenditures. Documentation must be provided by the business to evidence program expenditures prior to the release of funds. Documentation shall include bills and invoices or receipts for materials, final bills of sale or canceled checks. All documentation shall be reviewed and approved by the Administrator.
  8. Fixed Equipment. Fixed equipment financed with program funds must have been purchased, delivered and installed. The Administrator shall verify the installation of fixed equipment.
  9. Other Documentation. As appropriate or necessary, the borrower may be asked to provide the following:
    - a. A certificate of status from the Department of Financial Institutions.
    - b. The articles of Incorporation and by-laws.
    - c. A Board resolution to borrow funds and Secretary's certificate.
    - d. Current financial statements.
    - e. Evidence of having secured other funds necessary for the project.
    - f. An Environmental Assessment for real estate loans which may either be a Phase I, II or III analysis, depending on the environmental condition of the site.

With the above documentation in place (items 1-9 above). The Administrator will schedule a loan closing. All documents will be executed before funds are disbursed, and mortgages and UCC statements shall be recorded with the Register of Deeds and the Secretary of State.

*The Appendix contains a model Loan Closing Documentation Checklist*

## **6.2 OBLIGATION OF LOAN RECIPIENT**

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

1. Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s51.05(5), sexual orientation or national origin in any employment or construction activity related to the use of the business loan funds.
2. To use the loan money only to pay the cost of services and materials necessary to complete the

project or activity for which the loan funds were awarded.

3. To permit inspections by persons authorized by Buffalo County of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections, which include, but may not be limited to, contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection shall be complied with by the borrower.
4. To maintain records on the project as may be requested by Buffalo County. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
5. To submit periodic progress reports to the Administrator in accordance with the schedule in the in the loan agreement.
6. To maintain fire and extended coverage insurance on the project property required during the term of the loan. Buffalo County shall be listed as Loss Payee, Mortgagee, or 'additional' insured on the policy. Term life insurance may be required of the applicant to cover the loan balance through the life of the loan.
7. To abide by all federal laws, when applicable.

### **6.3 PRIVATE LEVERAGE COMMITMENTS**

The Administrator shall monitor the use of the funds and expenditure of private leverage commitments. Documentation may include invoices or receipts for materials and supplies, letters from lenders, final bills of sale, and canceled checks.

## **SECTION 7: DEFAULT**

### **7.1 DEFAULT**

A loan shall be considered delinquent at 60 days and written notice be sent. The loan shall be considered in default if 90 days have lapsed since payment date or if the terms of the performance contract are breached. The Loan Review Committee will be notified when loans are 60 days delinquent. A member of the committee and/or county staff will meet with the borrower to discuss current business plans and identify options that may be available to prevent foreclosure. In the event the business is in default on any of terms and conditions of the loan agreement, all sums due and owing, including penalties shall become immediately due and payable. To exercise this option, Legal Counsel shall prepare a written Right to Cure notice to the business. The notice shall specify the following

1. The delinquency.
2. The action required to cure the delinquency.
3. A date, not less than thirty (30) days from the date of the notice, by which the delinquency must be cured to avoid foreclosure or other collective action.
4. Any penalties incurred as a result of the default, jobs, etc.

### **7.2 DEFERRAL**

The Buffalo County Board of Supervisors may consider deferring payments for a period of 3 to 6 months upon written request from the borrower outlining the need for the deferral. The loan must be current prior to deferral. The board may defer payments and/ or interest during the period of deferral. An amendment to the contract will be signed by the board chair and the borrower outlining the terms of the deferral. The borrower will be provided a new amortization schedule demonstrating the new pay off date and interest.

### **7.3 RESTRUCTURING**

The Buffalo County Board of Supervisors may restructure the terms of the loan at the request of the borrower or to assist a business in danger of foreclosure. An amendment to the contract will be signed by the board chair and the borrower outlining the terms restructured loan. The borrower will be provided a new amortization schedule demonstrating the new pay off date and interest.

### **7.4 FORECLOSURE/REPLEVIN**

In the event that the borrower does not bring loan current or provide a plan to the Buffalo County Board of Supervisors to bring the loan current; the loan will be referred to Legal Counsel to begin Foreclosure, or Replevin Action per the terms of the Contract and collateral.

## **SECTION 8: USE OF LOAN REPAYMENTS AND REPORTING**

### **8.1 ECONOMIC DEVELOPMENT LOAN PROGRAM**

Repaid loans shall be re-deposited into the Economic Development Loan Fund account and used in a manner consistent with the policies and procedures manual. A separate accounting record for each loan shall be kept to account for all funds loaned. The Economic Development Loan account shall be audited on an annual basis and the Administrator shall provide reports to the Committee.

## **Section 9: LOAN SERVICING**

### **9.1 MONITORING**

The administrator shall monitor each loan to ensure compliance with the loan terms and conditions. The monitoring will also ensure that all recordkeeping requirements are met. A loan servicing file shall be established and maintained for each loan recipient that includes all written correspondence; a record of important telephone conversations; a list of applicable loan covenants; certificates of insurance for builders' risk; property-casualty; and life insurance, as applicable.

### **9.2 RECORDKEEPING**

In addition to the above, economic development loan financial management records must be comprehensive and designed to provide the following information:

1. An Economic Development Loan Register that records all deposits and disbursements to and from the Economic Development program, including funds used for administration.
2. A Loan Repayment Register that records repayments made by each business which has received a loan from the program. It also tracks the balance of repayments from all loans from the Economic Development Loan Program.



3. An Economic Development Loan Register that records all deposits and disbursements to and from the Economic Development program, including funds used for administration.
4. A Collection Register for every loan made. Each register contains the business name, loan date, loan amount, terms, and date repayment begins. Payments are divided into principal and interest payments with a declining principal balance.
5. Mail annual paid interest statement to borrower no later than January 31<sup>st</sup>.

## Loan Documentation Checklist

Activity Name: \_\_\_\_\_

Activity Address: \_\_\_\_\_

Application (including exhibits)

Signed Application

Financial Statements

Profit and Loss-YTD

Business Plan (*If Applicable*)

Balance Sheet

2 years Personal and Business Tax Return

Cash Flow-Current and Projected (*Financial Institution*)

Credit Report (*Financial Institution*)

Release of Information

Loan Commitment Letter and Lender Loan Presentation (*Financial Institution*)

Certificate of Corporate Good Standing from the Secretary of State/Sole Ownership Affidavit

Background check (CCAP, DOR, Secretary of State, DCFI)

Affordability Calculations

Recommendation to Committee

Amortization Schedule/Payment Schedule and Award Letter

Other \_\_\_\_\_

**UCC Filing (Equipment, Inventory, Vehicle, Working Capital)**

- Business Asset Balance Sheet
- Motor Vehicle Title/Perfection (*If applicable. Verify no lien.*)
- Copy of Driver's License (*For UCC filing.*)
- UCC Search (*Verify no other financial institutions is using that collateral.*)
- Equipment–Copy of Purchase Contract/Agreement
- Buffalo County Loan Review Committee Loan Approval Minutes
- Articles of INC, LLC, Sole, Prop
- Other \_\_\_\_\_

- |                                     |
|-------------------------------------|
| <b>UCC Lien (Closing Loan File)</b> |
| UCC Lien Perfection                 |
| Promissory Note                     |
| Personal Guaranty                   |
| Security Agreement                  |
| Closing/Purchase Statement          |
| Lien Letter to Insurance            |
| Annual Interest Statement           |
| Servicing File Completed            |

**Real Estate**

- Appraisal
- Title Insurance Policy
- Verify Legal Description for the Mortgage, Deed, Flood, and Insurance matches the Title Policy.
- Environmental Audit
- Mortgage
- Deed (*Purchase Only*)
- Flood Plain Certificate and Notice
- Real Estate Subordination (*If applicable*)
- Insurance Policy
- Offer to Purchase (*Purchase Only*)
- Settlement Statement (*Purchase Only*)
- Articles of INC, LLC, Sole Prop

- |                                    |
|------------------------------------|
| <b>Real Estate: (Closing File)</b> |
| Mortgage                           |
| Promissory Note Personal Guaranty  |
| Security Agreement                 |
| Closing Statement                  |
| Insurance with lien.               |
| Annual Interest Statement          |
| Loan Servicing File Completed      |

Buffalo County Board of Supervisors Loan Approval Minutes

Other \_\_\_\_\_  
Completed by: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**LOAN AGREEMENT  
BETWEEN  
BUSINESS  
and  
BUFFALO COUNTY, WISCONSIN**

THIS AGREEMENT made and entered into as of the \_\_\_\_\_, by and between Buffalo County, hereinafter referred to as the "County" and \_\_\_\_\_, qualified to do business in the state of Wisconsin, hereinafter referred to as the "Company".

WITNESSETH:

WHEREAS, Business, a description of business which is located in the City, Village or Township of \_\_\_\_\_, Buffalo County, Wisconsin; and

WHEREAS, the Company has requested that the County provide financial assistance through the Economic Development Loan program in order that its intended business purpose may be located within the corporate limits of Buffalo County, thereby enabling retention or expansion of business within the County; and

WHEREAS, the County, through its Loan Review Committee, has approved the administration and the lending of the proceeds to the Company upon the terms and conditions herein stated, and have required execution and delivery of this loan agreement;

NOW, THEREFORE, for and in consideration of the premises and of the covenants and undertakings herein expressed, the County and the Company agrees as follows:

I. LOAN

The County will lend to the Company \$\_\_\_\_\_ (\_\_\_\_\_ Thousand and 00/100 Dollars), for \_\_\_\_\_ (real estate, equipment, working capitol) for a \_\_\_\_\_ business in located within Buffalo County, Wisconsin. The terms of the note are as follows:

Term-Type of Loan \_\_\_\_\_ of \$\_\_\_\_\_, Five (5) years of principal and interest payments amortized over Five (5) years. Balance due on end of term may be renewed with mutual agreement between lender and borrower on terms of review of current financials of borrower to determine need of continued funding.

Interest Rate- \_\_\_\_\_ (\_\_\_\_) percent.

Payment Schedule-Principal and interest payments for years one through five \$\_\_\_\_\_ Due on the 1<sup>st</sup> of the month for \_\_\_\_\_ (\_\_\_\_) months. No prepayment penalty.

The Company unconditionally agrees to repay the loan, together with interest thereon, in the amounts and the times specified in accordance with the terms of this loan agreement and promissory note. **All such payments shall be made in lawful money of the United States of America and shall be paid directly to the Buffalo County Treasurer, PO Box 28, Alma, Wisconsin 54610.** The Makers further acknowledge that upon relocation of the business outside of Buffalo County, Wisconsin any outstanding balance on the loan will become immediately due in full.

AND

Security will be \$ \_\_\_\_\_ in the form of \_\_\_\_\_ located at \_\_\_\_\_ (parcel # \_\_\_\_\_) and the personal guarantees of \_\_\_\_\_ (\_\_\_\_\_).

II. PROJECT DESCRIPTION

The Company will be provided funds for \_\_\_\_\_ that will be located in the City, Village or Township of \_\_\_\_\_, Buffalo County, Wisconsin. Use of loan funds outside of the Loan terms and conditions will constitute an Event of Default.

III. OTHER FINANCING OR INVESTMENT

In addition to Economic Development Loan funds, the Company agrees to invest at least \$ \_\_\_\_\_ (\_\_\_\_\_ Dollars) in the project. No less than \$ \_\_\_\_\_ (\_\_\_\_\_ Dollars) will be in the form of owner's equity.

IV. DISBURSEMENT OF LOAN FUNDS

The County will disburse economic development loan funds to the Company upon receipt of acceptable documentation, including receipts and/or invoices, but only after the Company provides itemized evidence that not less than dollar-for-dollar ratio of private to economic development loan funds exists.

V. RECORDS

In addition, the Company will maintain those records, which are necessary to enable the County to determine whether the performance of the Company complies with the terms of this agreement. The records shall include, at a minimum, bills, invoices, and checks for payments made toward the purchase of \_\_\_\_\_, and payrolls for new employees hired to meet the terms of this agreement. The County will have access to all records pertinent to this agreement for the purpose of examination and transcription during normal working hours upon providing forty-eight (48) hour notice to the Company, which notice shall indicate the date and time the County intends to access the Company's records

VI. NONDISCRIMINATION

The Company is to provide equal opportunities for all individuals on the basis of their skills, abilities, and qualifications, without regard to race, color, sex, national origin, age or disability, marital status, arrest or conviction record, sexual orientation, disabled veteran or covered veteran status, membership in the National Guard, or any other reserve component of the

United States or State military forces, use or nonuse of lawful; products off the employer's premise during non-working hours, or any other non-merit factors, except where such factors constitute a bonified occupational qualification.

The non-discrimination policy applies to all aspects of the employment relationship, including recruitment, selection, promotion, transfer, compensation, layoff and recall, training and development, disciplinary action and termination.

VII. DEFAULT

Failure by the Company to make payments of any principle or interest within 60 days after the same is due and payable, or the failure of the Company to comply with any conditions of this agreement, is delinquent. Right to Cure Notice will be sent with a 30-day period to correct the delinquency or work with the County to address it by other methods. The loan will be considered in default if not cured in the 30-day period. In the event of a default, all sums due or owing to the County shall, at its option, become immediately due and payable. The County may exercise this option by giving written notice to the Company, which specifies the default, the action required to cure the default, and a date of no less than thirty (30) days from the date of the notice by which the default must be cured to avoid foreclosure or other collection action.

VIII. GOVERNING LAW

The laws of the State of Wisconsin shall govern this loan agreement, the security agreement and promissory note issued hereunder.

IX. COUNTERPARTS

This loan agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

X. SEVERABILITY

If any provisions of this loan agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because conflict with any other provisions or provisions hereof or any constitution or statute or rule of public policy, or for any other reasons, such circumstances shall not have the effect of rendering the provisions in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this loan agreement shall not affect the remaining portions of this loan agreement, or any part thereof.

XI. TERMINATION

Upon full and final payment of the promissory note, this loan agreement shall terminate and the County shall cause the promissory note to be cancelled and deliver to the Company; and the County shall cause the liens of the security agreement to be discharged of record.

XII. AMENDMENTS

Any amendments to this agreement require the written agreement of the County and the Company.

XIII. OTHER PROVISIONS (AS APPLICABLE)

INSURANCE: The Company shall maintain the following insurance coverages in amounts adequate to protect its assets and income. (1) Property insurance covering the replacement cost of real and personal property naming the County as an additional insured as their interests may appear. (2) Business interruption/loss of earnings insurance. (3) Crime insurance covering employee dishonesty, burglary, robbery, and for forgery. (4) Workers compensation insurance. (5) Comprehensive general liability insurance. All insurance policies shall be issued by companies licensed to do business in the State of Wisconsin. Certificates of insurance evidencing the required coverage shall be provided to the County with a provision for thirty (30) days prior notice of cancellation.

FINANCIAL REPORTS: If requested, the Company will submit annual financials (balance sheet, P&L/income taxes) to the County during the loan period.

XIV. DISTRIBUTIONS AND COMPENSATION

Company will not, without prior written consent of County, (a) declare or pay any dividend or make any distribution upon its capital stock, or consolidate, or merge with any other company, or give any other company, or give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, to any company directly or indirectly controlling or affiliated with or controlled by Company, or any other company, or to an officer, director or employee of company, or any such company, (b) if Company is a partnership or individual, make any distribution of assets of the business of Company, other than reasonable compensation for services, or give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, to any partner or any of its employees, or to any company directly or indirectly controlling or affiliated with or controlled by company, or any other company.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first written above.

MEMBERS

BUFFALO COUNTY

By: \_\_\_\_\_  
\_\_\_\_\_ Title  
\_\_\_\_\_ Company

By: \_\_\_\_\_  
Chair, Buffalo County Board of Supervisors

By: \_\_\_\_\_  
\_\_\_\_\_ Title  
\_\_\_\_\_ Company

By: \_\_\_\_\_  
Administrator, Buffalo County

**CLOSING STATEMENT**

Date \_\_\_\_\_

Business Name \_\_\_\_\_

**Total (Type of Loan) Amount** \$ \_\_\_\_\_

Payments made this day on my behalf include the following:

Register of Deeds: (\$ \_\_\_\_\_)

*Filing of Mortgage*

UCC Filing Fees/Motor Vehicle Perfection (\$ \_\_\_\_\_)

\_\_\_\_\_ dba \_\_\_\_\_ (\$ \_\_\_\_\_)

**TOTAL PAYMENTS** \$ \_\_\_\_\_

**ANNUAL PERCENTAGE RATE** % \_\_\_\_\_

**FINANCE CHARGE** \$ \_\_\_\_\_

**AMOUNT FINANCED** \$ \_\_\_\_\_

**TOTAL OF PAYMENTS** \$ \_\_\_\_\_

SECURITY: You are giving a security in:

FILING FEES: \$ \_\_\_\_\_

PREPAYMENT: If you pay off early you will not have to pay a penalty.

ASSUMPTION: Someone buying the business may not assume the remainder on your loan on the original terms.

The undersigned hereby authorizes Buffalo County to make expenditure and disbursements as shown above and approves same for payment. The undersigned acknowledges receipt of copy of this Statement.

\* \_\_\_\_\_

\* \_\_\_\_\_