MEMORANDUM OF AGREEMENT FOR
Stoughton Revolving Loan Fund

This is an agreement for professional services to be provided to the Redevelopment Authority of the City of Stoughton, a Wisconsin municipal corporation, (hereinafter "RDA"), by the Wisconsin Women's Business Initiative Corporation, a Wisconsin not-for-profit corporation (hereinafter "PROVIDER").

I. SCOPE OF SERVICES

The services to be performed by the PROVIDER on behalf of the RDA, including the time of performance, are described in Exhibit A, which is attached hereto and incorporated herein by this reference. The obligations and responsibilities of the RDA to provide information and support to the PROVIDER are also described in Exhibit A. Time is of the essence in the performance of all phases of this agreement.

II. COMPENSATION AND PAYMENT

The RDA agrees to pay PROVIDER an amount not to exceed $1,500 per executed loan. This amount shall be paid in one lump sum upon invoice, which shall be supported with documentation outlining the closing date, client name and amount of each loan. PROVIDER commits to charging no closing costs or application fees to loan applicants.

III. ADMINISTRATION AND NOTICE

The Finance Director for the City of Stoughton will administer this agreement on behalf of the RDA. All written notices shall be sent to the attention of the Finance Director, City of Stoughton, 381 E. Main St., Stoughton WI 53589. Concurrent notice will be provided to the Chair of the RDA.

This agreement will be administered on behalf of the PROVIDER by the Senior Loan Officer. All notices shall be directed to the attention of the Provider at:

Michael W. Hetzel
Senior Loan Officer
WWBIC
2745 N. MLK, Jr. Dr.
Milwaukee, WI 53212

IV. INSURANCE

PROVIDER shall maintain throughout the term of this agreement insurance as specified below. Before commencing any work under this agreement, PROVIDER shall furnish the RDA a certificate of insurance in form satisfactory to the RDA. The certificate shall be accompanied by a notice endorsement guaranteeing 30 day written notice of cancellation, nonrenewal, or material change in the insurance coverage. The RDA shall be named as an additional insured, except as to the PROVIDER's professional errors and omissions policy.

General Liability $1,000,000 claim / $1,000,000 aggregate
Errors & Omission $1,000,000 claim / $1,000,000 aggregate

V. TERMINATION

This agreement is intended to be in effect from October 15, 2013 through October 15, 2014, and will automatically renew for one year unless terminated earlier upon 60 day advance written notice by either party. Upon termination, if PROVIDER will continue servicing any loans which are still outstanding at the time of such termination, RDA will be responsible for paying an annual administration fee to be determined at such time based upon the volume of loans continuing to be serviced by PROVIDER.

VI. STANDARD OF CARE

PROVIDER will follow generally accepted industry practices, professional standards and guidelines in the performance of its obligations under this agreement.

VII. INDEMNIFICATION AND HOLD HARMLESS

PROVIDER agrees to indemnify and hold harmless the RDA, its officers, agents and employees against any and all actions, damages, judgments, costs, or fees of any kind whatsoever arising out of any act, error, or omission of the PROVIDER, its agents, or employees under this agreement. The indemnification required herein shall not be limited by reason of the specification of any particular insurance coverage that results from this agreement.

VIII. INDEPENDENT CONTRACTOR

It is agreed that PROVIDER at all times shall be considered an independent contractor in the performance of its duties under this agreement and its employees and agents shall not be considered employees of the RDA for any purpose whatsoever.

IX. LICENSES AND PERMITS

PROVIDER shall be responsible for obtaining any licenses or permits required to perform its obligations under this agreement.

X. RECORDS

PROVIDER shall keep all of its records arising out of this agreement for a period of seven (7) years after receipt of the final payment under this Agreement. PROVIDER understands that such records may be subject to the provisions of Wisconsin law relating to public records. In performing the work for this contract, WWBIC agrees to provide the RDA's external and internal auditors with any documentation they require.

XI. ASSIGNMENT AND SUBCONTRACTING

Subcontracting or assignment by PROVIDER of any portion of the services described in this agreement, other than to Accion Texas, Inc., without the express written approval of the RDA is prohibited.

XII. CONFIDENTIALITY

All of the reports, information, data, diagrams, plans, etc., prepared or assembled by the PROVIDER under this Agreement are the property of the RDA and are confidential. The PROVIDER agrees that they shall not be made available to any individual or organization without the prior written approval of the RDA, unless such disclosure is required by law. The PROVIDER agrees to limit the use of any reports, information, data, diagrams, plans, etc., supplied by the RDA to the services being provided under the terms of this Agreement. In addition, the PROVIDER will not copy or alter the data in any way.

XIII. APPLICABLE LAW

This agreement shall be governed by the laws of the State of Wisconsin, and the rules and regulations of the RDA.

XIV. SOLE AGREEMENT

This document contains the entire agreement between the parties. It may not be modified except by a written agreement signed by the duly authorized agents of the RDA and the PROVIDER. In the event of a conflict between this agreement and any Exhibit, the terms of this document shall control.

IN WITNESS HERETO, THE DULY AUTHORIZED AGENTS OF THE PARTIES AFFIX THEIR SIGNATURES.

PROVIDER:

By: _____

Title: MICHAEL W. HETTEL Date: 11/7/13
SR LOAN OFFICER

By: _____

Title: VP Date: 11/8/13

RDA:

By: _____

Title: _____ Date: 10/14/13

By: _____

Title: _____ Date: 10/15/13

Exhibit A

The Redevelopment Authority of the City of Stoughton ("RDA") and the Wisconsin Womens' Business Initiative Corporation ("WWBIC") have agreed that it would be mutually beneficial for WWBIC to administer the Revolving Loan Fund ("RLF") program funded by the RDA. 1n order to minimize administrative costs and achieve the optimum result in terms of economic development within the City of Stoughton, WWBIC will work with affiliated organizations to coordinate this loan program with other funding sources.

WWBIC will perform the following tasks related to the RDA Revolving Loan Fund program:

A. Loan Underwriting

a. Assist potential applicants in determining how the RDA Revolving Loan Fund program might be one element of an overall financing package for a qualifying business expansion. The basic parameters of a loan under this program include:
   i. Loans under this program are intended to provide "gap" funding only; and are limited to 50% of the identified capital requirement up to a maximum of $50,000.
   ii. Loans shall be for a maximum initial term of three (3) years, although extension up to a total of five (5) years can be considered. WWBIC may also transfer the loan to another program upon paying of the balance of the RLF Loan.
   iii. The full principal amount is due at maturity.
   iv. Loan payments will be interest only for the term of the loan. Interest at a rate of the prime rate plus 1% will be charged, payable quarterly.
   v. The loans will be unsecured. All loans must be personally guaranteed by all owners of 20% or more of the business. WWBIC may require other owners to provide guarantees based on the circumstances of the individual project.
   vi. WWBIC will not charge the applicant an application fee.
   vii. Eligible applicants will include businesses and mixed-use properties within the program boundary area (Exhibit B).
   viii. Investments made using program funds will include interior remodeling, furniture, fixtures & equipment, exterior façade work, working capital and new building construction.

b. Review applicants relative to their eligibility for the program for feasibility of their application, i.e. rough cash flow/collateral analysis upon receipt of preliminary information. The basic requirements of an acceptable loan applicant include the following:
   i. Applicant must have been in business a sufficient length of time to have filed at least two (2) tax returns.
   ii. Applicant must submit a business plan including a detailed financial forecast with assumptions.
   iii. Applicant must be located in, or expanding to, the RDA RLF program area (Exhibit B).

c. After performing an initial review and identifying potential candidates, contact the Stoughton Finance Director for approval to proceed processing an application. Concurrent notice will be provided to the Chair of the RDA.

d. Work with eligible businesses and their primary lender in the preparation of applications to the program and review the application materials for any deficiencies.

e. Submit applications to the WWBIC Loan Committee with summary comments and a recommendation for approval or denial.

f. Upon approval by the Loan Committee, submit a summary recommendation to the Stoughton Finance Director for final sign-off. The recommendation will include expected public benefits in terms of new investment, new business and tax base increases.

g. Notify applicants of the disposition of their loan requests.

h. Verify that commitments have been obtained from other funding sources.

i. Prepare appropriate loan documents for execution.

B. **Loan Servicing**

a. Monitor receipt of documentation needed from customers annually.

b. Preparation of general servicing letters to customers as needed such as notification of rate changes, balloon payments coming due or calculation of payoffs.

c. Complete written reports for the RDA. These include:
   i. Year end audit report; and
   ii. Quarterly and Annual Accomplishment Reports.
   iii. Annual Loan Summary.
   iv. A quarterly Accomplishment Report to the RDA. This report will include:
      1. Summary of the portfolio and project breakdown for each loan, including accrued interest;
      2. Projected impacts to the County tax base for each loan;
      3. Projected impacts on employment for each loan;
      4. Summary of loans being monitored for possible default; and
      5. List loan applicants for that year-to-date period

d. Remit interest payments and principal repayments received from program recipients quarterly.

e. Upon payoff of loans, remit the principal balance and any interest to the RDA along with documentation identifying the particular loan being retired within 30 days.

f. Notify the RDA of program loans being written off in accordance with prevailing WWBIC policies related to non-performing loans.

g. WWBIC will be responsible for all necessary collection activities associated with past due loans.

h. Assist the Stoughton Finance Director in an annual presentation to the RDA on the status of the loan program.

C. **Marketing**

a. Assist in general marketing of the RDA Revolving Loan Fund Program, to include:

i. Maintain a database of potential program participants;
ii. Provide program information to lenders;
iii. Participate in joint presentations related to the program with affiliated organizations;
iv. Maintain a database of lenders.

D. **Open Records**

a. In performing the work for this contract, WWBIC, agrees to assist the RDA in complying with information requests under Wisconsin Open Records laws.

The RDA will perform the following tasks related to the Revolving Loan Fund Program:

A. **Funding**

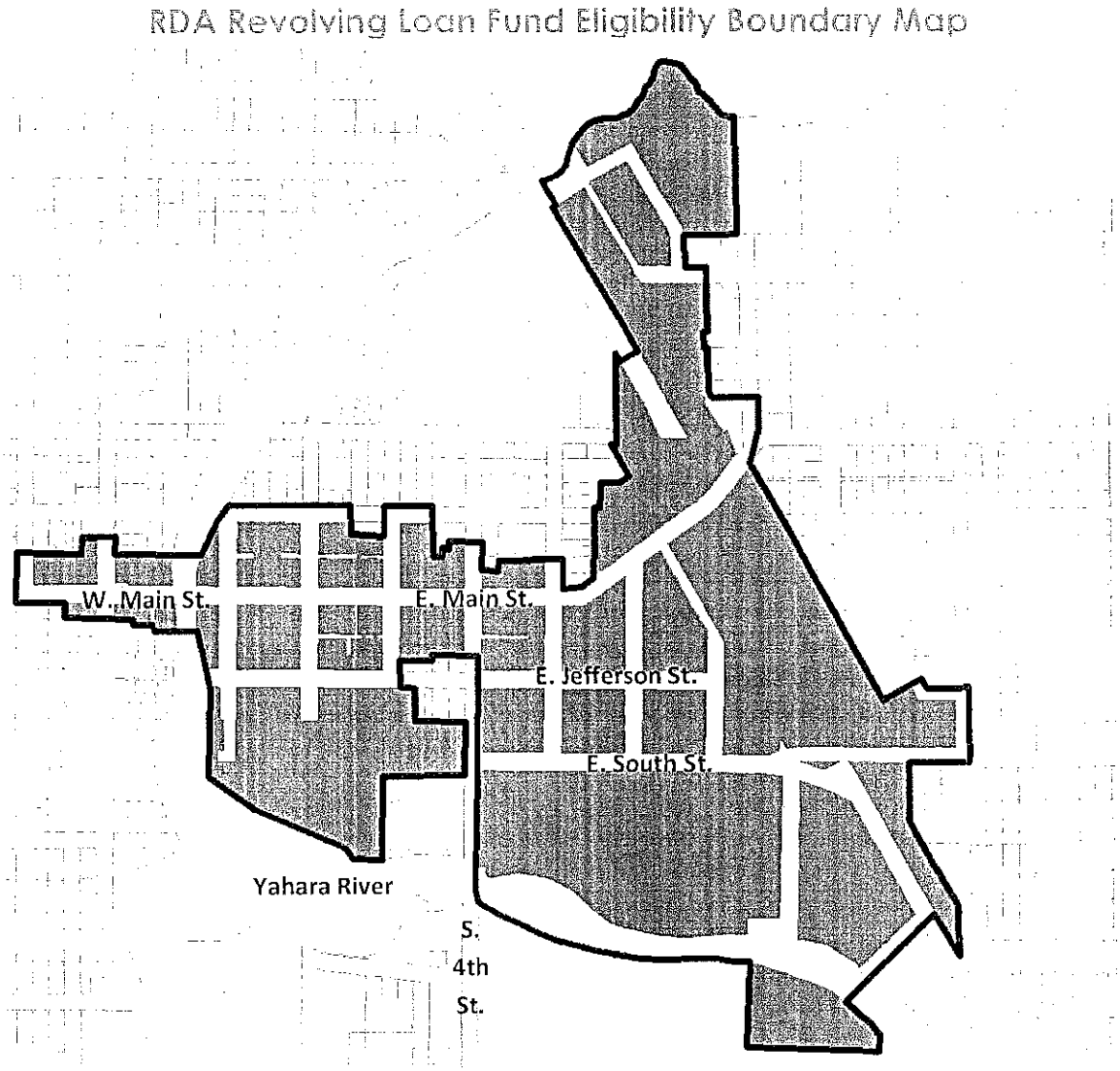
a. Appropriate an initial sum of $250,000 to fund program loans and administrative costs of the program.

b. Upon receipt of appropriate documentation (including an invoice) from WWBIC, provide loan amounts to WWBIC. Also, the RDA will provide WWBIC with $1,500 for each executed loan.

c. Maintain records of the loans outstanding on the RDA's balance sheet, as well as the funds available to commit to the program from additional appropriations, loan repayments and interest on a revolving basis.

d. Work with WWBIC and other interested organizations in recommending additional appropriations or other modifications to the RLF Program to the RDA.

Exhibit B: Map of Program Area



Dave Ehlinger

From: Dave Ehlinger
Sent: Monday, July 3, 2023 3:14 PM
To: Matthew Dregne - Stafford Rosenbaum (mdregne@staffordlaw.com); Rick A. Manthe
Subject: FW: New Revolving Loan Fund - City of Stoughton
Attachments: RE Stoughton RDA - Update.msg

Matt or Rick,

At appears the City/RDA have an informal MOU for loan servicing of the Revolving Loan Program.

Should this be something we have a formal contract regarding?

Thanks,

Dave

From: An Nguyen <An.Nguyen@wwbic.com>
Sent: Monday, July 3, 2023 3:12 PM
To: Dave Ehlinger <DEhlinger@cityofstoughton.com>
Subject: RE: New Revolving Loan Fund - City of Stoughton

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Dear Dave,

Please advise the MOU attached including the original contract and changes that Lukas and WWBIC agreed in 2018 (body of the email attached) to simplify the process and update the process.

Please let me know if this helped.

Thank you very much!

Best regards,

Happy & Responsible Capital FORWARD

An Nguyen – Associate Director of Lending
WWBIC
A Leading Innovative Statewide Economic Development Organization
South Central Office
2300 S Park Street, Suite 103 | Madison, Wisconsin | 53713
Direct: 608-204-8903 | General Info: 608-257-5450
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From: Dave Ehlinger <DEhlinger@cityofstoughton.com>
Sent: Monday, July 3, 2023 1:57 PM
To: An Nguyen <An.Nguyen@wwbic.com>
Subject: RE: New Revolving Loan Fund - City of Stoughton

Do you have a copy of the current contract for the RDA?

From: An Nguyen <An.Nguyen@wwbic.com>
Sent: Monday, July 3, 2023 1:56 PM
To: Dave Ehlinger <DEhlinger@cityofstoughton.com>; Tim Swadley <TSwadley@cityofstoughton.com>
Cc: Dale Reeves <dreeves@wwbic.com>; Michael Hetzel <Michael.Hetzel@wwbic.com>
Subject: RE: New Revolving Loan Fund - City of Stoughton

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Dear Dave,

Thanks a lot for your review!

The contract was coming from the City of Stoughton.

I agree that we will need to have the RDA (old loan fund) separate from the RLF (new fund).

Hence, would you please help us with the new fund contract and the new fund application form?

Thank you very much!

Have a wonderful week and 4th of July Holiday tomorrow!

Best regards,

Happy & Responsible Capital FORWARD

An Nguyen – Associate Director of Lending
WWBIC
A Leading Innovative Statewide Economic Development Organization
South Central Office
2300 S Park Street, Suite 103 | Madison, Wisconsin | 53713
Direct: 608-204-8903 | General Info: 608-257-5450
an.nguyen@wwbic.com | **www.wwbic.com**

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From: Dave Ehlinger <DEhlinger@cityofstoughton.com>
Sent: Monday, July 3, 2023 12:58 PM
To: An Nguyen <An.Nguyen@wwbic.com>; Tim Swadley <TSwadley@cityofstoughton.com>
Cc: Dale Reeves <dreeves@wwbic.com>; Michael Hetzel <Michael.Hetzel@wwbic.com>
Subject: RE: New Revolving Loan Fund - City of Stoughton

An,

I am okay with the proposals below, but I did not see any contract that was attached to your email below.

Also, there should be separate application forms for the RDA and the City revolving loan funds.

Dave

From: An Nguyen <An.Nguyen@wwbic.com>
Sent: Friday, June 30, 2023 12:28 PM
To: Dave Ehlinger <DEhlinger@cityofstoughton.com>; Tim Swadley <TSwadley@cityofstoughton.com>
Cc: Dale Reeves <dreeves@wwbic.com>; Michael Hetzel <Michael.Hetzel@wwbic.com>
Subject: New Revolving Loan Fund - City of Stoughton
Importance: High

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Dear Dave and Tim,

Thank you very much for the great meeting yesterday!

Regarding to the New Revolving Loan Fund, we will mirror the last round of the RDA loan program with only 1 change that we will expand the serving area to the City of Stoughton limit.

Below are the main outlines of the program:

A. Loan Term and Underwriting:

1. $50,000 loan max uses of fund allowed same WWBIC policy
2. Underwriting :
   _one year of financials for existing businesses for loan request of $15k or less.
   _two years of financials for existing businesses for loan request greater than $15k.
   _new businesses should provide detailed projections and business plan.
3. Rely on WWBIC to underwrite and approve loans.
4. Loan term and amortization for up to 60 months. There is option of interest only period up to 6 months (e.g. 6 months interest only following by 54 month principal and interest payments)
5. Interest rate of 3%.
6. **Area of service: within the City of Stoughton limit**

B. Application process with WWBIC:

1. The clients will complete the WWBIC online loan application at our website https://www.wwbic.com/ with the "-Stoughton RLF" right after their business name. (Example: Business ABC LLC; loan application business name should be "ABC LLC – Stoughton RLF)
2. The clients will also fill out Stoughton RLF application (attached) and upload the signed form to "Other" placeholder in our loan application system.
3. Our Loan Process Specialist – Grace Bruce – at grace.bruce@wwbic.com and her team will assist the clients with the documentations and any questions with the application system.

C. WWBIC management fee: Management fee to WWBIC of $2,000 per loan will be invoiced after loan closing."

Please let me know if you have any question or feedback about the process above.

If we are all good, would you please send us the contract to reflect the New Revolving Loan Fund expanding the area of service to City of Stoughton limit?

Thank you very much for support!

Have a wonderful weekend and an awesome 4th of July holiday!

Best regards,

P.S.: I did went over the application process above with Katrina and Lukas.
Happy & Responsible Capital FORWARD

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