

**JEFFERSON COUNTY ECONOMIC DEVELOPMENT CONSORTIUM (JCEDC)
& THRIVE ED BOARD AGENDA**

Thursday, August 24, 2023

8:00 a.m. - Continental Breakfast / Networking

8:30 a.m. - Meeting

UW Extension/Workforce Development, 864 Collins Road, Room 8, Jefferson, WI 53549

AND VIA Zoom

Zoom Link: <https://us06web.zoom.us/j/86431259008?pwd=U2FveTM4TTUyTDF1dzJUcGp2SGpZZz09>

Meeting ID: 864 3125 9008

Passcode: 417932

Dial by your location: 1-309-205-3325

Board Members – Jefferson County Economic Development Consortium (JCEDC)

Rebecca Houseman - City of Fort Atkinson, Drake Daily– City of Lake Mills, Timothy Freitag – City of Jefferson, Everett Butzine– City of Waterloo, Emily McFarland – City of Watertown, John Weidl– City of Whitewater, Lisa Moen – Village of Cambridge, Kyle Ellefson - Village of Johnson Creek, Kathy Weiss – Village of Palmyra, County Supervisor Bruce Degner, County Supervisor Mark Groose, County Supervisor Karl Zarling

Board Members – ThriveED

David Schroeder, Brian Knox. Casey Malesevich, Tom Dehnert, Scott Lausten, Don Lunak, Sr., Karie Martin, Matt Mauthe, Andy Nelson, Joshua Patterson, Kevin Paynter, Nate Salas, Stewart Wangard, Rebecca Houseman, Everett Butzine, Paul Ambrose, Tina Crave, Kellie Karpinski, Richard Keddington, Shawna Marquardt, James Nelson, Ben Wehmeier

- I. Call To Order
- II. Roll (Establish a quorum)
- III. Certificate of Compliance with Open Meeting Laws
- IV. Approval of Agenda – August 24, 2023
- V. Approval of JCEDC/ThriveED Minutes – February 23, 2023 (JCEDC); April 27, 2023 (JCEDC & ThriveED)
- VI. Public Comment – Members of the public who wish to address the board on specific agenda items must register their request at this time.
- VII. New Staff Introduction
 - a. Deb Sybell – Director of Community Development
 - b. Phil Ostroski – Revolving Loan Fund Manager
- VIII. JCEDC/ThriveED Reports
 - a. Discussion and Approval of Finance Reports for Economic Development and Homebuyer Program
 - b. Discussion and Approval of JCEDC 2024 Budget
 - c. Discussion and Approval of Finance Reports for ThriveED
 - d. Thriving Business
 - i. Presentation: Opportunity Pipeline
 - ii. Report: Doosan Bobcat Ribbon Cutting
 - iii. Report: Aztalan Bio Expansion
 - e. Diverse Housing
 - i. Report: Housing Summit
 - ii. Update: Live Local Development Fund
 - iii. Update: First Citizen’s Bank RLF - Watertown

- iv. Report: WHEDA Legislative Priorities re: Housing
- v. Update: Habitat for Humanity of Waukesha County
- vi. Update: Jefferson County HUD Application
- vii. Report: WEDC request to Attend National Rural Housing Conference, October 24-27, 2023 in Washington DC
- f. Activated Workforce
 - i. Report: Latino Academy Career Fair - Watertown
 - ii. Update: Latino Academy Career Fair - Whitewater
- g. Trust & Partnerships
 - i. Report: Fort Atkinson Capital Catalyst Revolving Loan Fund
 - 1. Oak Tree Child & Family Services
 - 2. Lil' Hawks Childcare
 - ii. Report: Jefferson County Strategic Plan Updates
 - iii. Report: WI Rural Partners Board of Directors
 - iv. Report: MadRep Tour 8/17/2023
 - v. Report: MadRep CEDS plan
 - vi. Report: Every Child Thrives Transformation Council
 - vii. Report: Investor Presentations
 - 1. Jefferson County
 - 2. Fort HealthCare
 - 3. Fort Atkinson City Council
 - 4. Watertown City Council
 - 5. Watertown Regional Medical Center
 - viii. Report: Lake Country DockHounds Game
 - ix. Community Discussion
 - 1. JCEDC board members are encouraged to share a brief update about their community, initiatives and/or challenges
 - x. Thrive Board Discussion
 - 1. Thrive board members are encouraged to share a brief update about their company, initiatives and/or challenges
 - xi. Awareness: Partner engagements
 - 1. August 29, 2023 – Fort Local Government Academy Presentation
 - 2. December 5, 2023 – Watertown City Council Presentation
- h. Thrive ED Investors Meeting - Elections
- i. General Updates
 - i. Upcoming Events
 - 1. September 20, 2023 – Conversations with ThriveED
 - 2. *New Date* October 19, 2023 - ThriveED Annual Meeting
 - 3. November 16, 2023 - JCEDC/ThriveED Education Session
 - 4. December 21, 2023 – JCEDC/ThriveED Board of Directors Meeting

IX. Adjournment

Our Vision Statement is: JCEDC / ThriveED will lead change necessary to support economic growth in Greater Jefferson County that results in healthy, thriving, and growing communities.

Our Mission Statement is: JCEDC / ThriveED will engage the public and private sectors in actions focused on attracting and supporting business growth that benefits the residents and communities in the Greater Jefferson County area.

A quorum of any Jefferson County Committee, Board, Commission, or other body, including the Jefferson County Board of Supervisors, may be present at this meeting. Anyone requiring special accommodation should contact the County Administrator 24 hours prior to the meeting at 920-674-7101 to make appropriate arrangements.

**Jefferson County Economic Development Consortium (JCEDC) and ThriveED
Board of Directors Meeting
February 23, 2023 – Meeting held in person and via Zoom.**

Board Members - JCEDC

Rebecca Houseman - City of Fort Atkinson, Drake Daily– City of Lake Mills, Timothy Freitag – City of Jefferson, Everett Butzine– City of Waterloo, Emily McFarland – City of Watertown, John Weidl– City of Whitewater, Lisa Moen – Village of Cambridge, Vacant - Village of Johnson Creek, Kathy Weiss – Village of Palmyra, County Supervisor Bruce Degner, County Supervisor Mark Goose, County Supervisor Karl Zarling

Board Members – ThriveED

David Schroeder, Brian Knox. Casey Malesevich, Tom Dehnert, Scott Lausten, Don Lunak, Sr., Karie Martin, Matt Mauthe, Andy Nelson, Joshua Patterson, Kevin Paynter, Nate Salas, Stewart Wangard, Rebecca Houseman, Everett Butzine, Paul Ambrose, Tina Crave, Kellie Karpinski, Richard Keddington, Maria McClellan, James Nelson, Ben Wehmeier

- I. **Call to Order** - Meeting called to order by at 8:32 am.
- II. **Roll Call – Quorum Established**
 - JCEDC Board Members Present: Rebecca Houseman, Drake Daily, Everett Butzine, Emily McFarland, John Weidl, Kathy Weiss, Bruce Degner, Mike Goose, Karl Zarling
 - ThriveED Board Members Present – Tina Carve, Tom Dehnert, Kevin Kaufmann, Brian Knox, Scott Lausten, Casey Malesevich, Karie Martin, Matt Mauthe, Maria McClellan, Andy Nelson, Jim Nelson, Josh Patterson, Kevin Paynter, Nate Salas, Stewart Wangard, Ben Wehmeier
 - Staff Present: Julie Olver, Deb Reinbold, RoxAnne Witte
 - Others Present: Mason Becker, Vanessa Ineza, Kim Brotz
- III. **Certification of compliance with Open Meeting Law Requirements**

Staff certified compliance for the agenda dated February 23, 2023.
- IV. **Approval of Agenda**

Dehnert/Houseman moved to approve agenda as presented. Motion passed.
- V. **Approval of Minutes**

Houseman/Weiss moved to approve December 15, 2022 JCEDC minutes as printed. Motion passed.
Kaufmann/Patterson moved to approved December 14, 2022 ThriveED minutes as printed. Motion passed
- VI. **Public Comments – None**
- VII. **JCEDC/ThriveED Reports**
 - A. **Finance - JCEDC**

Drake/Zarling moved to approve the December 31, 2022 and January 31, 2023 JCEDC and Homebuyer Program finance reports as printed. Motion passed.
 - B. **Finance - ThriveED**

Dehnert/Kaufmann moved to approve the December 31, 2022 and January 31, 2023 GHDP/ThriveED Profit & Loss Statements; December 31, 2022 and January 31, 2023 Balance Sheets; and January 31, 2023 Accounts Receivable statement as printed. Motion passed.
 - C. **Thriving Business**

Opportunity Pipeline – Reinbold gave an update on recruitment/retention/expansion projects that have been active since December 13, 2022.
 - D. **Diverse Housing**
 - i. **Heartland Housing Initiative** – Update was given on V–Palmyra’s project and the results of their market study. Round 2 applicants have been working on their scope of work and a couple have decided to move forward with a market study.
 - ii. **Jefferson County Housing Committee** – Update was given on the work of the committee.
 - They are in the process of applying for a Capital Catalyst Grant to create an RLF program for Jefferson County.
 - The Housing Summit is scheduled for May 18, 2023.
 - iii. **Be Bold** – A statewide initiative to accelerate workforce housing in the state will be holding an event on Workforce Housing at Moraine Park Technical College – February 27, 2023.
 - E. **Activated Workforce**
 - i. **Jefferson County Manufacturing Round Table** – Reinbold updated the board on the round table activities. All Jefferson County employers are encouraged to attend.
 - ii. **Jefferson High School Career Fair Day** – The high school will be holding a career fair sometime in May.

All interested employers can contact Reinbold for more information.

- iii. **Career Videos-** Reinbold/McFarland updated the board on a program they are working on to create career path videos with local employers.
- iv. **MadREP Transportation Initiative** – Reinbold updated the board on a partnership that MadREP has with Enterprise Rent-a-car to assist companies with employee transportation issues.
- v. **Latino Academy Workforce Development Career Fair** – Plans are to have two such events in 2023 – May 11, 2023 in Watertown at the library and one in September in Whitewater. All business that participated in the career fair in 2022 will be invited to participate in the event in Watertown at no charge.

F. Trust & Partnership

Partner engagements – Reinbold updated the board on the meeting/events/speaking engagements she has attending or will be attending in the next 60 days.

G. General Updates

- i. **Director of Community Development Position** – Reinbold updated the board on the search for a Director of Community Development person.
- ii. **MadREP Board Representation** – They are looking for a representative from Jefferson County that would serve on their board of directors.
- iii. **HOME Consortium Downpayment Assistance Program** – Witte shared the updated HOME Consortium Loan Portfolio Report 1998-2022 with the board.
- iv. **Coming Events**
 - 3/15/2023 - Conversations with ThriveED – Playa Vallarta - Jefferson
 - 3/23/2023 - Education Session – 2023 Wisconsin Rural Economic Summit
 - 4/27/2023 - JCEDC/ThriveED Board of Directors Meeting
 - 5/11/2023 – Latino Academy Career Fair – Watertown Public Library
 - 5/18/2023 – Jefferson County Housing Summit – Lake Mills
 - 5/25/2023 – Executive Committee Meeting

There being no further business to come before the JCEDC board for consideration at this time, Zarling/Houseman moved to adjourn.
There being no further business to come before the ThriveED board for consideration at this time, Kaufmann/Dehnert moved to adjourn.

Meeting adjourned at 9:29 am.

Minutes prepared by:

RoxAnne L. Witte, Program Specialist
Jefferson County Economic Development Consortium

**Jefferson County Economic Development Consortium (JCEDC) and ThriveED
Board of Directors Meeting
April 27, 2023 – Meeting held in person and via Zoom.**

Board Members - JCEDC

Rebecca Houseman - City of Fort Atkinson, Drake Daily– City of Lake Mills, Timothy Freitag – City of Jefferson, Everett Butzine– City of Waterloo, Emily McFarland – City of Watertown, John Weidl– City of Whitewater, Lisa Moen – Village of Cambridge, Vacant - Village of Johnson Creek, Kathy Weiss – Village of Palmyra, County Supervisor Bruce Degner, County Supervisor Mark Goose, County Supervisor Karl Zarling

Board Members – ThriveED

David Schroeder, Brian Knox. Casey Malesevich, Tom Dehnert, Scott Lausten, Don Lunak, Sr., Karie Martin, Matt Mauthe, Andy Nelson, Joshua Patterson, Kevin Paynter, Nate Salas, Stewart Wangard, Rebecca Houseman, Everett Butzine, Paul Ambrose, Tina Crave, Kellie Karpinski, Richard Keddington, Shawna Marquardt, James Nelson, Ben Wehmeier

I. Call to Order - Meeting called to order by at 8:35 am.

II. Roll Call – Quorum Established

- JCEDC Board Members Present: Rebecca Houseman, Drake Daily, Mason Becker, Kathy Weiss, Mike Goose, Karl Zarling
- ThriveED Board Members Present – Tina Carve, Tom Dehnert, Kevin Kaufmann, Brian Knox, Scott Lausten, Don Lunak, Casey Malesevich, Shawna Marquardt, Andy Nelson, Jim Nelson, Josh Patterson, Kevin Paynter, Nate Salas, David Schroeder, Stewart Wangard, Ben Wehmeier
- Staff Present: Julie Olver, Deb Reinbold, RoxAnne Witte
- Others Present: Vanessa Ineza, Jason Scott, John Donahue, Bob Bastien

III. Certification of compliance with Open Meeting Law Requirements

Staff certified compliance for the agenda dated April 27, 2023.

IV. Approval of Agenda

Kaufman/Knox moved to approve agenda as presented. Motion passed.

V. Approval of Minutes

Dehnert/Paynter moved to approved February 23, 2023 ThriveED minutes as printed. Motion passed.

VI. Public Comments – None

VII. JCEDC/ThriveED Reports

A. Staffing Updates

Director of Community Development – Staff continue to actively recruit for the position.

Limited Term Employee - \$ 75,000 has been approved for this position for 2023 – 2024. Staff will be interview for this position in the next few weeks.

B. Finance - JCEDC

March 31, 2023 JCEDC and Homebuyer Program finance reports were placed on file as presented.

C. Finance - ThriveED

Knox/Kaufman moved to approve the March 31, 2023 GHDP/ThriveED Profit & Loss Statement, March 31, 2023 Balance Sheet, and March 31, 2023 Accounts Receivable statement as printed. Motion passed.

D. Thriving Business

Opportunity Pipeline – Reinbold gave an update on recruitment/retention/expansion projects that have been active between February 18, 2023 and April 24, 2023.

E. Diverse Housing

- Heartland Housing Initiative** – Update was given on current municipality projects and Village of Kekoskee was added as a participant in the initiative.
- Awareness – Watertown Housing Rehab Pilot** – Mason Becker updated the board on a project there are working on with First Citizens Bank of Whitewater in the city of Watertown.
- Discussion regarding Jefferson County Housing Committee** – Update was given on the work of the committee.
- The Housing Summit is scheduled for May 18, 2023. Program will be from 8:00 – 10:00 am at the Lake Mills Community Center.

F. Activated Workforce

- Nicaraguan Refugees** – Update was given on what Whitewater is doing regarding the number of Nicaraguan refugees looking to enter the workforce.
- Latino Academy Workforce Development Career Fair** – May 11, 2023. Currently 10 business have registered to participate in event. The committee is working on having transportation available to the

event.

G. Trust & Partnership

- i. **Community/Thrive Board Discussion** – Members present gave update on what is happening in their communities/businesses as it relates to our mission.
- ii. **Capacity Building & Lead Generation** – Discussion was held on our continuing efforts for capacity building and lead generation.
- iii. **Awareness – Partner engagement**
 - a. 5/2/2023 – Fort Healthcare Presentation
 - b. 5/9/2023 – Jefferson County Presentation
 - c. 5/11/2023 – Latino Academy Career Fair – Watertown Public Library
 - d. 5/16/2023 – Fort Atkinson City Council Presentation
 - e. 5/18/2023 – Jefferson County Housing Summit – Lake Mills
 - f. 5/25/2023 – Executive Committee Meeting
 - g. 6/20/2023 – Watertown City Council Presentation

G. General Updates

i. **Coming Events**

- 5/11/2023 – Latino Academy Career Fair – Watertown Public Library
- 5/18/2023 – Jefferson County Housing Summit – Lake Mills
- 5/25/2023 – Executive Committee Meeting
- 6/22/2023 – JCEDC/ThriveED Board of Directors Meeting
- 7/27/2023 – JCEDC/ThriveED Education Session - Jefferson County
- 8/23/2023 – ThriveED Event – DockHounds Baseball Game - Oconomowoc

There being no further business to come before the ThriveED board for consideration at this time, Dehnert/Salas moved to adjourn.

Meeting adjourned at 9:45 am.

Minutes prepared by:

RoxAnne L. Witte, Program Specialist
Jefferson County Economic Development Consortium

Jefferson County Economic Development Consortium

July 31, 2023

	July 31, 2023 <u>Monthly Estimate</u>	June 30, 2023 <u>Monthly Actual</u>	July 31, 2023 <u>Year to Date Estimates</u>	July 31, 2023 <u>Year to Date Budget</u>	<u>2023 Budget</u>	
Revenue						
JCEDC GHDP Service fees	67,500.00	-	-	67,500.00	135,000.00	0.0%
GHDP Reimbursable Expenses	-	-	-	-	1,000.00	0.0%
Federal Funds ARPA	-	-	-	20,471.00	122,826.00	0.0%
Contract for LTE	-	75,000.00	75,000.00	31,000.00	31,000.00	241.9%
Reimbursed Program Expenses	-	900.00	900.00	-	-	
V-Cambridge	-	-	148.50	148.50	148.50	100.0%
V-Johnson Creek	-	-	5,103.00	5,103.00	5,103.00	100.0%
V-Palmyra	-	-	2,581.50	2,581.58	2,581.50	100.0%
C-Fort Atkinson	-	-	18,874.50	18,874.50	18,874.50	100.0%
C-Jefferson	-	-	11,620.50	11,620.50	11,620.50	100.0%
C-Lake Mills	-	-	9,678.00	9,678.00	9,678.00	100.0%
C-Waterloo	-	-	5,446.50	5,446.50	5,446.50	100.0%
C-Watertown	-	-	22,137.00	22,137.00	22,137.00	100.0%
C-Whitewater	-	-	6,300.00	6,300.00	6,300.00	100.0%
Jefferson County	-	-	129,864.00	129,864.00	129,864.00	100.0%
Contra Account	-	-	(14,116.90)	(14,177.00)	(14,177.00)	99.6%
TOTAL	67,500.00	\$75,900.00	\$273,536.60	\$316,547.58	\$487,402.50	56.1%
Expenditures						
Personnel	35,938.43	27,417.18	178,897.73	249,328.33	427,420.00	42%
Professional Services - Contract LTE	3,451.60	3,451.60	8,171.91	8,266.67	31,000.00	26%
Professional Services	-	-	900.00	-	-	
Web Page Development	-	-	1,057.74	1,235.50	2,471.00	43%
Office Expense	2,018.52	384.88	4,580.48	5,782.58	9,913.00	46%
Membership	350.00	455.00	1,634.19	350.00	3,960.00	41%
Professional Development	2,400.94	1,725.00	5,271.56	4,666.67	8,000.00	66%
Professional Development - ARPA	758.62	-	758.62	-	-	
Meeting Expenses	50.00	36.99	321.66	700.00	1,000.00	32%

Expenditures	July 31, 2023	June 30, 2023	July 31, 2023	July 31, 2023		
	Monthly Estimates	Monthly Actual	Year To Date Estimates	Year to Date Budget	2023 Budget	
Training Materials	689.55	-	689.55	500.00	500.00	138%
Subscriptions	34.00	740.66	6,699.05	6,045.39	9,000.00	74%
Internet/Phones/Mis	1,258.98	1,258.98	8,767.08	10,582.25	18,141.00	48%
Other Operating	-	-	-	-	1,000.00	0%
Travel Related	609.78	-	1,687.29	3,091.67	5,300.00	32%
Travel Related - ARPA	70.41	32.75	103.16	-	-	
Other Insurance	310.01	310.01	2,170.07	2,582.42	4,427.00	49%
Railroad Consortium	-	-	14,000.00	14,000.00	14,000.00	100%
Vehicle Repair	690.00	-	690.00	-	-	
Repair & Maintenance - Office	-	-	952.46	-	-	
TOTAL	\$48,630.84	\$35,813.05	\$237,352.55	\$307,131.47	\$536,132.00	44%

2023 SUMMARY

	July 31, 2023	June 30, 2023	July 31, 2023	July 31, 2023	
	Monthly Estimates	Monthly Actual	Year to Date Estimates	Year to Date Budget	2023 Budget
Revenues	\$67,500.00	\$75,900.00	\$273,536.60	\$316,547.58	\$487,402.50
Expenses	\$48,630.84	\$35,813.05	\$237,352.55	\$307,131.47	\$536,132.00
Total Profit/Loss	\$18,869.16	\$40,086.95	\$36,184.05	\$9,416.11	(\$48,729.50)

1/1/2023 JCEDC Operating Reserve Carryforward Balance \$346,887.78

Vested Benefits Balance **(\$20,386.48)**

JCEDC Operating Reserve Balance \$326,501.30

Jefferson County Economic Development Consortium
Home Buyer Program
July 31, 2023

Income	July 31, 2023 Estimates	July 31, Year to Date Estimates	2023 Budget	
V- Cambridge	-	9.90	9.90	100%
V-Johnson Creek	-	340.20	340.20	100%
V-Palmyra	-	172.10	172.10	
C- Fort Atkinson	-	1,258.30	1,258.30	100%
C-Jefferson	-	774.70	774.70	100%
C-Lake Mills	-	645.20	645.20	100%
C-Waterloo	-	363.10	363.10	100%
C-Watertown	-	1,475.80	1,475.80	100%
C-Whitewater	-	420.00	420.00	100%
Jefferson County	-	8,657.60	8,657.50	100%
DPP Home Buyer Program	-	-	15,000.00	0%
DPA Home Buyer Program	-	-		
Repayment of HBC Inc. Homebuyer Loans	-	2,500.00	1,500.00	
Applied Operating Reserve	-	-	34,738.20	
TOTALS	-	16,616.90	\$ 65,355.00	25%

Expenses	July 31, 2023 Estimates	July 31, 2023 Year to Date	Budget	
Personnel	3,216.81	25,988.54	65,355.00	40%
TOTALS	\$3,216.81	\$25,988.54	\$65,355.00	40%

2023 Summary		
	Year To Date	Budget
Revenues	\$ 16,616.90	\$ 65,355.00
Expenses	\$ 25,988.54	\$ 65,355.00
Total Profit/Loss	\$ (9,371.64)	\$ -
1/1/2023 Operating Reserve Carryforward balance		
Vested Benefits Balance	(\$8,148.49)	
Homebuyer Program Operating Reserve Balance	\$108,806.56	

Jefferson County Economic Development Consortium

2023 Proposed Operating Budget - Draft

8/24/2023

	<u>2023 Total Projected Revenue</u>	<u>2023 Adopted Budget</u>	<u>2024 Proposed Budget</u>
Revenue			
JCEDC GHDP Service fees	135,000.00	135,000.00	135,000.00
GHDP Reimbursable Expenses	1,000.00	1,000.00	1,500.00
Municipality Reimbursable Expenses	900.00	-	-
JCEDC Service Fees - Homebuyer			45,000.00
JCEDC Service Fees - LLDF			
V-Cambridge	148.50	148.50	151.50
V-Johnson Creek	5,103.00	5,103.00	5,097.00
V-Palmyra	2,581.50	2,581.50	2,566.50
C-Fort Atkinson	18,874.50	18,874.50	18,753.00
C-Jefferson	11,620.50	11,620.50	11,620.50
C-Lake Mills	9,678.00	9,678.00	10,039.50
C-Waterloo	5,446.50	5,446.50	5,469.00
C-Watertown	22,137.00	22,137.00	22,000.50
C-Whitewater	6,300.00	6,300.00	6,465.00
Jefferson County	129,864.00	129,864.00	129,897.00
Contra Account	(14,116.90)	(14,177.00)	-
ARPA Funds	122,826.00	122,826.00	127,173.96
Limited Term Employee	75,000.00	31,000.00	-
WEDC Grant			50,000.00
Total	\$532,362.60	\$487,402.50	570,733.46

	<u>2023 Total Projected Expenses</u>	<u>2023 Adopted Budget</u>	<u>2024 Proposed Budget</u>
Expenditures			
Personnel	372,614.17	458,420.00	542,431.99
Professional Services	900.00	-	25,000.00
Web Page Development	1,474.24	2,471.00	4,000.00
Office Expense	6,444.11	9,913.00	10,163.00
Membership	2,319.19	3,960.00	4,000.00
Professional Development	8,694.51	8,000.00	8,750.00
Meeting Expenses	351.66	1,000.00	1,000.00
Training Materials	507.40	500.00	500.00
Subscriptions	9,764.05	9,000.00	10,000.00
Internet/Phones/Mis	15,142.53	18,141.00	19,287.00
Other Operating	-	1,000.00	1,000.00
Travel Related	3,200.21	5,300.00	5,300.00
Other Insurance	3,720.12	4,427.00	4,057.31
Railroad Consortium	14,000.00	14,000.00	14,000.00
Repair & Maintenance - Office	969.44		
Repair & Maintenance - Vehicle	690.00		
Operating Reserve			
Total	\$440,791.63	\$536,132.00	\$649,489.30

Thrive ED
Balance Sheet Prev Year Comparison
 As of July 31, 2023

	<u>Jul 31, 23</u>	<u>Jul 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1002 · Checking - Badger Bank	132,790.52	176,454.08	-43,663.56	-24.7%
1003 · Savings - FCCU	100,071.28	100,038.67	32.61	0.0%
1004 · Checking - FCCU	27,850.13	72,927.41	-45,077.28	-61.8%
Total Checking/Savings	<u>260,711.93</u>	<u>349,420.16</u>	<u>-88,708.23</u>	<u>-25.4%</u>
Total Current Assets	<u>260,711.93</u>	<u>349,420.16</u>	<u>-88,708.23</u>	<u>-25.4%</u>
TOTAL ASSETS	<u>260,711.93</u>	<u>349,420.16</u>	<u>-88,708.23</u>	<u>-25.4%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
2300 · Notes Payable - JCEDC	0.00	34,998.00	-34,998.00	-100.0%
Total Other Current Liabilities	<u>0.00</u>	<u>34,998.00</u>	<u>-34,998.00</u>	<u>-100.0%</u>
Total Current Liabilities	<u>0.00</u>	<u>34,998.00</u>	<u>-34,998.00</u>	<u>-100.0%</u>
Total Liabilities	<u>0.00</u>	<u>34,998.00</u>	<u>-34,998.00</u>	<u>-100.0%</u>
Equity				
3200 · Unrestricted Net Assets	245,871.55	175,215.27	70,656.28	40.3%
Net Income	14,840.38	139,206.89	-124,366.51	-89.3%
Total Equity	<u>260,711.93</u>	<u>314,422.16</u>	<u>-53,710.23</u>	<u>-17.1%</u>
TOTAL LIABILITIES & EQUITY	<u>260,711.93</u>	<u>349,420.16</u>	<u>-88,708.23</u>	<u>-25.4%</u>

Thrive ED
Profit & Loss Prev Year Comparison
January through July 2023

	<u>Jan - Jul 23</u>	<u>Jan - Jul 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4100 · Event revenue	500.00	3,795.55	-3,295.55	-86.8%
4200 · Investor Support 2022-2026 CC	99,250.00	134,200.00	-34,950.00	-26.0%
4250 · Housing Initiative	47,451.24	75,000.00	-27,548.76	-36.7%
4300 · Grants Received	0.00	14,000.00	-14,000.00	-100.0%
Total Income	<u>147,201.24</u>	<u>226,995.55</u>	<u>-79,794.31</u>	<u>-35.2%</u>
Expense				
5000 · Management fees	67,500.00	67,500.00	0.00	0.0%
5100 · Event expense	203.51	3,390.97	-3,187.46	-94.0%
5200 · Printing	0.00	16.00	-16.00	-100.0%
5600 · Filing fees	54.00	54.00	0.00	0.0%
5700 · Postage	63.00	58.00	5.00	8.6%
5800 · Accounting Services	925.00	610.00	315.00	51.6%
6100 · Void Checks/Transactions	0.00	0.00	0.00	0.0%
6200 · Membership	0.00	350.00	-350.00	-100.0%
6300 · Housing Initiatives	73,902.33	2,118.75	71,783.58	3,388.0%
6400 · Training	-500.00	13,923.15	-14,423.15	-103.6%
6700 · Recruitment	470.00	0.00	470.00	100.0%
Total Expense	<u>142,617.84</u>	<u>88,020.87</u>	<u>54,596.97</u>	<u>62.0%</u>
Net Ordinary Income	<u>4,583.40</u>	<u>138,974.68</u>	<u>-134,391.28</u>	<u>-96.7%</u>
Other Income/Expense				
Other Income				
9000 · Interest income	239.55	232.21	7.34	3.2%
9010 · Miscellaneous Income	17.43	0.00	17.43	100.0%
Total Other Income	<u>256.98</u>	<u>232.21</u>	<u>24.77</u>	<u>10.7%</u>
Net Other Income	<u>256.98</u>	<u>232.21</u>	<u>24.77</u>	<u>10.7%</u>
Net Income	<u>4,840.38</u>	<u>139,206.89</u>	<u>-134,366.51</u>	<u>-96.5%</u>

Glacial Heritage Development Partnership
ThriveED
Accounts Receivable
July 31, 2023

2022-2026 CC Investor Pledges Invoiced and unpaid as 7/31/2023

2022 Pledges		\$11,500.00
Landmark Credit Union	\$1,500.00	
Watertown Regional Medical Center	\$10,000.00 *	
2023 Pledges		\$46,250.00
R J Investments, LLC	\$5,000.00	
Caine Companies	\$3,000.00	
Premier Bank	\$1,500.00	
UW Whitewater	\$3,000.00	
Illuminus	\$25,000.00	
W. D. Hoard & Sons	\$5,000.00	
State Bank of Reeseville	\$2,500.00 *	
Thermo-Tech Mechanical Insulation	\$1,250.00	
TOTAL INVOICED	<hr/>	\$57,750.00

* Watertown Regional Medical Center - payment has been approved and will be coming

* State Bank of Reeseville- did commit during interview, but never signed commitment letter, did invoice

Note: Businessies That Paid After 7/31/2023
 Premier Bank - paid in full for 2023
 Thermo Tech Mechanical Insulations - paid as invoiced

Pipeline Activity Between 4/25/23 - 8/23/23

Active Date	Project Name	Project Stage	Locations Considered	Opportunity Type	Pipeline Description (Public)
05/11/2022	Accelerate	PRELIMINARY - Too new to know!	Jefferson (J)	Business Attraction	Vacant building - looking for tenant
02/07/2022	All Saints	ACTIVE - 50/50	Jefferson (J)	Residential Development	Redevelopment project
06/26/2023	BIO	WIN - Jefferson County	Aztalan (J)	Business Expansion	Misc support
04/24/2023	Central	ACTIVE - 50/50	Jefferson County	Existing Business - Expansion	Assist with site selection & incentives
03/15/2023	Common	Preliminary - LOW	Johnson Creek (J)	Residential Development	Interested in multi-family development.
01/14/2020	Corner	ACTIVE - HIGH	Jefferson County	Mixed-Use Development	Assist developer with mixed-use development including incentives.
05/11/2023	Dove	ACTIVE - HIGH	Jefferson (J)	Attraction	WEDC FAB Attraction project
04/03/2023	Education	Eliminated	Johnson Creek (J)	Business Expansion	Business looking to convert existing building to office. Assist with incentives
07/20/2023	Hall	PRELIMINARY - Too new to know!	Jefferson County	Residential Development	County-wide developer tour
05/25/2023	Hawks	WIN - Jefferson County	Ft Atkinson (J)	Existing Business - Expansion	Expanding daycare purchasing building. Assist with Fort Atkinson RLF.
06/15/2023	Jam	Preliminary - LOW	Palmyra (J),Waterloo (J),Wat	Residential Developme	Housing developer, assist with site location & funding
08/15/2022	Kick	Eliminated	Jefferson County	Attraction	Search for 80,000-120,000 sf food grade facility to lease or build. Prefer access to rail.
05/01/2023	King	ACTIVE - LOW	Ft Atkinson (J)	Residential Development	MF Housing Development
03/10/2023	Label	PRELIMINARY - Too new to know!	Jefferson (J)	Existing Business - Expansion	Assist with financing for their business.
09/23/2022	Matt	ACTIVE - 50/50	Jefferson (J)	Residential Development	Developer looking for assistance with financing gap
05/25/2023	Nails	PRELIMINARY - Too new to know!	Jefferson County	Residential Development	Multi-family housing developer looking for development opportunities
03/17/2023	Oak	WIN - Jefferson County	Ft Atkinson (J)	Existing Business - Expansion	RLF Applicant looking to buy a building in Ft Atkinson
03/03/2023	Panko	Eliminated	Jefferson (J)	Existing Business - Expansion	Assist with financing options for new location.
09/06/2022	Pink	ACTIVE - HIGH	Jefferson (J)	Mixed-Use Development	Interested in multi-use development
07/27/2023	Project Friday	Eliminated	Johnson Creek (J),Whitewater	Attraction	RFI: Flat 250 acre site, particularly located along I90/94 corridor and Hwy 43 corridors.
07/12/2023	Project Lever	PRELIMINARY - Too new to know!	Jefferson County	Attraction	RFI: Manufacturing attraction project looking for existing building of 60-250k sf.
04/18/2023	Project Liphoco	Eliminated	Jefferson County	Attraction	RFI: Lease 15,000-40,000 sf building for manufacturing
08/16/2023	Project Monday	PRELIMINARY - Too new to know!	Jefferson County	Attraction	RFI: Data center with 50 acre min, 200 MW in 24-36 months
07/10/2023	Project Vita	Eliminated	Jefferson County	Attraction	RFI: Attraction project looking to lease existing 90k sf building for medical device manufacturing
08/16/2023	Project Winnebago	Eliminated	Jefferson County	Attraction	RFI for datacenter: 130 min, up to 500 acres with 40-60MW within 24 months
02/20/2023	Senior	ACTIVE - 50/50	Ft Atkinson (J)	Residential Development	Assistance with identifying a development partner
10/05/2022	Shoe	ACTIVE - LOW	Watertown (Town)	New Business	New business - assist with land acquisition and financing
07/20/2023	Sunset	ACTIVE - HIGH	Lake Mills (J)	Business Expansion	Existing manufacturer expansion

05/09/2023	Sweetheart	PRELIMINARY - Too new to know!	Watertown (J)	Existing Business - Expansion	Assist with funding for build-out
06/14/2019	Tees	ACTIVE - HIGH	Jefferson (J)	Business Attraction	Assist with incentives.
06/15/2023	Transport	Eliminated	Jefferson County	Attraction	Assist with site identification: 300k sf logistics facility
06/24/2020	Trellis	WIN - Unassisted	Watertown (J)	New Business	WIN - Unassisted
04/06/2023	Turkey	WIN - Jefferson County	Johnson Creek (J)	Existing Business - Expansion	Assistance with municipality
07/19/2023	Yum	ACTIVE - HIGH	Ft Atkinson (J)	Attraction	Purchase existing building for bakery / coffee shop. RLF Applicant



LIVE LOCAL
DEVELOPMENT FUND

Live Local Development Fund

Loan Policy

August 3, 2023

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I. Mission and Objectives

The vision of Thrive Economic Development (“Thrive ED”) is to lead the change necessary to support economic growth in Greater Jefferson County to drive healthy, thriving, and growing communities. To execute this vision, Thrive ED’s mission is to engage public and private sectors to attract and support business growth that ultimately benefits the residents and communities in the Greater Jefferson County area.

Thrive ED is establishing the Live Local Development Fund (“LLDF”) with the vision that everyone who works in Greater Jefferson County should be able to live there too. The LLDF’s mission is to increase the availability of attainable housing and build 500 new housing units across Greater Jefferson County by 2029.

The primary purpose of this LLDF is to provide financial support to Borrowers and projects that increase the number of attainable housing units in the Greater Jefferson County area.

Safe and Sound Operations

Lending directly to Borrowers, such as real estate developers, to support the construction of attainable housing units, is a new business activity for Thrive ED. As such, Thrive ED’s lending approval process, loan administration functions, and loan portfolio monitoring present a risk to Thrive ED’s financial sustainability. Whether due to improper credit standards, organizational management, borrower malfeasance, or weakness in the economy, loan portfolio problems can potentially impact Thrive ED’s reputation and ability to provide future financing solutions.

The following loan policy is written from the perspective of providing guidance and direction regarding the Live Local Development Fund’s lending activities and mission objectives. Thrive ED’s loan policy outlines the process by which inherent lending and credit process risks are managed and controlled. Furthermore, this policy provides guidance to identify and avoid risks, minimizing any impact or potential impact of those problems.

Thrive ED acknowledges that its loan policy must be consistent, relevant, and flexible. This loan policy is a living document that is reviewed and periodically updated to adapt to market conditions, Borrower needs, strategic objectives, and available resources.

To further support Safe and Sound Operations, and as evidence of their commitment and support of the Mission, LLDF Founding Investors, initially the Greater Watertown Community Health Foundation at \$2,000,000 and Jefferson County at \$1,000,000, may subordinate their initial combined investment of \$3,000,000 to other General Lenders and Investors to the LLDF, subject to certain geographic, regulatory, and policy restrictions. Future LLDF Lenders and Investors can choose to either invest as General Lenders or

Investors or join the Greater Watertown Community Health Foundation and Jefferson County as Founding Investors.

Confidentiality

Thrive ED staff, consultants, partnering organizations, and Loan Committee members recognize that the information collected to underwrite and manage a loan is confidential in nature. Therefore, any distribution of material, correspondence, loan memoranda, etc., will be done only as needed in the course of business relative to the LLDF. Confidentiality Agreements will be executed in advance where appropriate. Furthermore, Loan Committee members will not discuss the status of the loan with anyone, other than those involved in underwriting or approving the loan. This restriction includes potential Borrowers, loans in underwriting, loans that will be presented to the committee, and the outcome of Loan Committee discussions.

II. Lending Area and Concentration Limitations

Thrive ED is dedicated to working toward prosperity in Greater Jefferson County and removing barriers for businesses and residents. Thrive ED will evaluate opportunities outside of Greater Jefferson County on a case-by-case basis.

No individual Borrower will account for more than 25% of the aggregated LLDF.

III. Eligible Borrowers and Prioritization

All public, private, and not-for-profit real estate developers are eligible. Key Borrower criteria include:

- The project is financially viable and, but for financing through Live Local Development Fund, the project would not go forward at the pace or scale desired by the community in which it is located.
- The project meets the housing needs of Greater Jefferson County.
 - The proposed project offers multi-family or single-family housing within Greater Jefferson County.
- The project offers the maximum number of units possible.
- A funding gap persists.
 - With the Live Local Development Fund, the gap is fully closed and the project can advance to financial transaction closing and construction commencement;
 - Other possible funding sources have been fully explored and prospective project developer provides evidence of such; and
 - The LLDF complements other confirmed financing sources

- The amount of Live Local Development Fund financing awarded depends on the availability of Live Local Development Funds and the project gap but will not exceed a max of \$25,000/unit. Projects requiring less than \$25,000/unit will result in higher prioritization for the LLDF.
- The Prospective Borrower has committed a reasonable amount of their own Capital, and/or other Credit Enhancements, given the nature, scope and complexity of the project.

Competitive project elements include:

1. Meets the Housing Needs of Greater Jefferson County
 - a. Project offers significant numbers of units: the more units, the higher the priority
 - b. Speed to market: the sooner units become available, the higher the priority
2. The project is financially viable. The more financially viable projects are more competitive.
3. A Gap in Sources for Development Persists (But For Analysis)
 - a. With the Live Local Development Fund Loan, a gap would be closed and the project moves forward
 - b. Amount of loan, per unit, of Live Local Development Fund (the lower per unit to close the gap, the more competitive)
4. Alignment with Jefferson County's Housing and Economic Development Goals
 - a. Provides attainable housing for employees residing in Greater Jefferson County
5. Built to the Wisconsin Green Built Home Standard, Enterprise Green Communities Criteria, LEED Certification or other sustainable/green development standards, that are verifiable and auditable.

Meets the Housing Needs of Jefferson County			
Project offers significant number of units: the more units, the higher the priority	1 point for every 20 units up to 5 points		
Funding			
Amount, per unit, of Live Local Funding	3 points if less than, or equal to \$15,000 per unit	2 points if greater than \$15,000 but less than or equal to \$17,500 per unit	1 point if greater than \$17,500 but less than or equal to \$20,000 per unit
Length of Term	3 points if 3 years or less	2 points if 4-5 years	1 point if 6-7 years
Project has multiple funding sources. i.e.. Energy Tax Credits, NMTC's, PACE, TIF, CDI grant etc.	1 point awarded for each funding source up to 5 points		

Developer has 25% or more cash equity into the project	5 points if yes, 0 if no		
Built to the Wisconsin Green Built Home Standard or any other Green Built Standard the developer may propose	2 points if yes, 0 if no		
Targeted Unit mix	3 points if 80% set aside for those making 80% of CMI or less	2 points if 70% set aside for those making 80% of CMI or less	1 point if 60% set aside for those making 80% of CMI or less

IV. Live Local Development Fund Loan Committee

Purpose

The Live Local Development Fund Loan Committee (LLDFLC) is appointed by the Thrive ED President (the “President”), subject to unanimous concurrence by the Founding Investors, to manage the following:

- Loan policies and procedures consistent with the mission and the LLDF;
- Approval of underwriting policies and concentration limits; and
- Oversight of the credit and lending activities of LLDF, including adhering to the mission and the approval of all qualified loans.

Composition

The LLDFLC shall have at least five members consisting of a representative from each of the Founding Investors, and one or more members consisting of the following or any combination thereof:

- a representative of a State or Regional Economic Development Organization
- a representative of a CDFI
- an accounting firm

Authorities and Responsibilities

The LLDFLC will have the authority, with a 2/3 supermajority vote, to:

- Develop and amend loan policies and procedures as needed;
- Approve underwriting policies and loan concentration limits;
- Review and consider new loan products that meet the needs of Borrowers; and
- Review and oversee the performance of the LLDF, loan delinquency, and credit risk

The LLDFLC will have the authority, given a simple majority vote, to:

- Review and approve or reject a loan application presented by management or the Staff Committee; and
- Review and approve or reject loan modifications and extensions

Frequency of Meetings

The LLDFLC may be called at any time for any purpose by the President or by any two members of the LLFDLC on an ad hoc basis.

Where possible, staff will provide meeting confirmations or cancellations a minimum of three business days in advance of the meeting to all attending members. Relevant materials, such as an agenda, loan packages or loan performance reporting, will be delivered no later than three business days in advance of regularly scheduled meetings.

V. Staff Loan Team

Purpose

The purpose of the Staff Loan Team is to manage borrower applications, including the pro forma. The Staff Loan Team is responsible for credit administration functions related to lending activities. The Staff Loan Team will do its best to ensure that the overall loan structure, terms, and servicing requirements conform with Thrive ED's policies and credit requirements.

Composition

The Staff Loan Team is comprised of the President, Director of Community Development ("DCD"), Revolving Loan Fund Manager ("RLF Manager"), and other internal and external staff as appropriate.

Responsibilities

- Promote the LLDF; and
- Review loan applications for submission to LLDFLC; and
- Draft Thrive ED's loan policies and procedures for review and acceptance by LLDFLC; and,
- Develop recommendations regarding new/additional loan products; and
- Report and advise on the LLDF portfolio performance and related liquidity

President or DCD will present loan application and advocate on behalf of loan applicants.

RLF Manager will underwrite loan applications and will present findings to LLDFLC for their consideration.

VI. Delegated Authorities

The Staff Loan Team does not have the authority to make material exceptions or changes to Loan Policy or to Borrower agreements. Any and all underwriting staff recommendations for exceptions to Loan Policy, or changes in Borrower agreements, must be noted on the loan request prepared by underwriting staff and then presented as exceptions for consideration by the LLDFLC for approval.

VII. Lending

The purpose of the LLDF is to support new residential housing within Greater Jefferson County.

Loan Structure

- Up to \$25,000 of financing is available per unit;
- Interest rate:
 - If 51% or greater of the project units are made available to residents earning no more than 80% CMI as outlined by WHEDA LIHTC Income & Rents Limits, targeted interest rates will be Sofr+ 1.75% with a minimum rate of 6.5%;
 - All other projects would be offered at targeted interest rates of Sofr+ 2.5% with a minimum rate of 7.25%;
 - The interest rate charged to any Borrower includes a 1.00% administration fee to benefit LLDF to cover portfolio underwriting, administration, and maintenance expenses.
 - LLDF reserves the right to change interest rates and related loan terms, as needed, due to changing, or prevailing, capital market and economic conditions; the real or perceived risk and complexity of any individual project; or to assure Thrive ED's long-term financial stability.

Loan Conditions

The loan conditions include and are not limited to the following:

- Loan applicants will complete the Live Local Proforma using their assumptions of project income, expenses and capital stack. If applicant has submitted to WHEDA a LIHTC application, the WHEDA Proforma may be substituted;
- Independent Third-Party Market Study will be provided to verify the rent rates, vacancy rates, and number of units proposed would be supported within the proposed market;
- Underwrites using CAMELS: Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity indicating project financial viability;
- Other funding sources are secure and/or contingent on RLF approval;

- If public funds are used, a Development Agreement is in place;
- The project has access to developable land with appropriate zoning and infrastructure in place to support the proposed development;
- All environmental concerns, if they exist, are identified and mitigated, or have a mitigation plan which mitigates all environmental concerns, prior to disbursement of funds; and
- Other reasonable information and data generally associated with similar market transactions may be requested.

VIII. Credit Administration

A robust credit culture is central to the successful deployment and management of the loan portfolio. Thrive ED has established a loan policy to ensure that credit risk is properly managed in a unified, comprehensive, and systematic manner. Credit diligence will be completed to assess the financial viability and strength of the Borrowers, organizations, and projects in order to underwrite to a primary and secondary source of repayment. When and where deemed necessary, secondary and tertiary exit strategies will be developed.

Underwriting

The loan meets all LLDF underwriting criteria including but not limited to these underwriting standards:

- CAMELS (adapted to housing finance underwriting): Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity;
- The project exhibits sustainable cashflow and a minimum Debt Service Coverage Ratio of 1.15x, all-in; with a target goal of 1.25x or higher, Debt Service Coverage Ratio;
- Other funding sources are secure and/or contingent on LLDF approval and these funding sources include but are not limited to traditional bank loans, subsidized low-interest loans, refundable tax credits, WHEDA assistance, and HUD assistance; and
- If public funds are used, a Development Agreement or other MOU instrument is in place.

Included in underwriting criteria is the project developer providing an independent third-party market study which confirms:

- a gap in needed units,
- appropriate rental rates (for multi-family, rental units), and
- vacancy assumptions or sale price (single-family, homeownership); and,

In addition, project developer must demonstrate that other sources of funds have been explored and/or secured with term sheets or letters of interest.

Risk Grading

Grade 1.0 – 1.9 / Excellent

Grade 2.0 – 2.9 / Strong

Grade 3.0 – 3.9 / Satisfactory

Grade 4.0 – 4.4 / Monitored

Grade 4.5 – 5.0 / Impaired

Loans with a risk grade of 4.0 or higher are automatically placed on the Watch List. Non-bankable or stressed loans shall be reserved or charged off. However, salvage efforts will be undertaken if a recovery is possible.

Loan Closing and Administration

At closing, a loan closing fee will be collected to cover out-of-pocket expenses including attorney review and title policy.

The Staff Loan Team is responsible for the maintenance of Loan and Credit files. Legal Counsel engaged for a Loan Closing is responsible for the integrity of the loan documents and data of all legally binding commitments issued by Thrive ED. Any hard copies of legal documents are required to be housed by Thrive ED, and its legal counsel, with digital copies of the legal documents maintained.

In coordination with legal counsel and lending, the Staff Loan Team is typically responsible for the initial funding of all loan closings. This process is performed via Automated Clearing House (ACH) transfers and is governed by the required dual controls as part of the banking policy. Upon loan closing, Staff Loan Team is responsible for:

- Processing all billing and payments
- Processing all payoff calculations
- Reviewing and coordinating loan draws with Title Company, and, or legal counsel representing the LLDF. LLDF expects transparent communication with the lead lender and that its loan proceeds will be last to be funded.
- Tracking exceptions for required documents
- Tracking collateral
- Maintaining credit file
 - Loan Applications
 - Underwriting documentation/3rd party reports
 - Memos to file
 - Key Correspondence
 - Inspection Reports (if applicable)
 - Funding/advance documentation

Loan Renewals, Loan Extensions, and Loan Modifications

When deemed appropriate, the President may make minor changes to a loan's maturity date or modify its terms with the intent of supporting the LLDF objective and credit quality. Any such minor changes made by the President should be reported to Loan Committee no later than the next Loan Committee Meeting date, or within 90 days, whichever occurs sooner. The President may make these minor changes only if a Borrower has demonstrated stable or increased credit strength and is not classified as Monitored or Impaired. The President cannot make multiple minor changes before reporting the first change to Loan Committee.

The Staff Loan Committee will inform the LLDFLC if changes are a result of potential concern about performance. Changes where the credit risk is not materially affected, such as closing delays, do not require notice to the LLDFLC.

Loan Renewal

The Staff Loan Team may recommend borrowing additional dollars subject to the approval of the LLDFLC. The RLF Manager will re-underwrite the facility to reevaluate the credit risk for presentation as a new loan.

Loan Extension

The LLDFLC may continue the force and effect of a previously existing agreement for a new period. Loan extensions are designed to be a short-term change and allow the Borrower additional time for repayment due to an unforeseen but non-material event. To be eligible for an extension, there can be no expected adverse material concerns with the Borrower or the project during the time of the projected loan extension.

Loan Restructure

Circumstances may arise where a remedy to a Borrower's default is requested through a long-term change to the loan repayment schedule, extension of the term of the loan, or other changes in the loan terms. If the restructuring of the loan has material adverse impact on the LLDFLC or Thrive ED, the LLDFLC will be notified by the Staff Loan Team. All material loan modifications and restructuring are to be approved by the LLDFLC at the next meeting.

Portfolio Monitoring

All loans and their respective risk ratings will be reviewed annually or earlier, whenever there is a material change in a Borrower's financial capacity or condition. This can include an adverse event, a downturn in a project's performance, or favorable trend in a Borrower's financial capacity. The purpose of the review, or Annual Grade Review (AGR), is to assess the loan's current financial performance and affirm, downgrade, or upgrade the most recent risk rating. The AGR is performed by the RLF Manager and supporting documents will

be properly maintained in accordance with the Loan Closing and Administration subsection. Risk rating downgrade changes can be made immediately by the RLF Manager and/or the President and reported to LLDFLC at its next meeting. Risk rating upgrade changes must be submitted for approval to the LLDFLC for approval. Absent any interim changes, the entire portfolio's Risk Ratings will be evaluated at least once per annum.

Compliance Reporting

Annual Financial Statements

No later than one hundred twenty (120) days after the end of each fiscal year, Borrower and Guarantor (if applicable) are required to provide financial statements (Profit and Loss, Balance Sheet, and Statement of Cashflows). The Live Local Development Fund will require Borrowers to submit Project operating statements or building specific financials if the Borrower's financials are substantially different than the Project's financials. Thrive ED may waive annual financial statement compliance reporting and accept tax returns in lieu of, or in addition to, when deemed acceptable by Thrive ED.

Access to Records

Borrowers, at their sole expense, shall maintain books, records, documents and other evidence pertinent to the loan agreement in accordance with accepted applicable professional practices. The Staff Loan Team, or any of its duly authorized representatives, shall have access, at no cost to Thrive ED, to such books, documents, papers or any records, including electronic, of Borrowers which are pertinent to the loan agreement, for the purpose of making audits, examinations, excerpts and transcriptions.

Additional Reporting Items

Staff Loan Team may request additional reporting items from the Borrower and may include: vacancy reports, rent rolls, proof of insurance, certificates of good standing, personal financial statements and tax returns of personal guarantors, business financial statements and tax returns of business guarantors, and other commercial reasonable reporting items associated with similar type transactions in the marketplace. Staff Loan Team will work with the Borrower and apply best efforts to gather these reports in a timely and complete manner. Borrower's inability, or unwillingness, to provide these reports in a timely and complete manner may become an event of default.

Insurance Requirements

Prior to the initial funding of a loan, Thrive ED will require various insurances with Thrive ED listed as an additional insured/loss payee. Depending on the loan size and risks associated with the Project, geographic location, etc., Thrive ED may require additional coverages. See Exhibit B for the minimum insurance requirements.

IX. Other Policy and Procedures

Placing Loan on Non-Accrual Status

President or RLF Manager will determine whether a loan should be recommended for non-accrual status when the performance and repayment of the loan is questionable and will seek concurrence from the LLDFLC, which can be obtained through a simple majority vote. Interest on any loan will not be accrued when:

- There is a significant deterioration in the financial condition of the Borrower or Guarantor; or
- Repayment in full (interest or principal) is not expected; or
- The principal and/or interest are more than 90-days past due

Foreclosure of Collateral

If foreclosure or other liquidation of the collateral is determined by the LLDFLC to be the best or only course of action, all of the steps listed below, together with others advised by Legal Counsel, will be considered and/or taken, depending on the circumstances:

- President and RLF Manager will assume responsibility for seeking legal advice and retaining legal counsel for state, or troubled loan, law advice;
- All collateral documentation will be confirmed to be in order (e.g., liens perfected); a lien search for secondary liens on the collateral will be conducted as well as delinquent taxes/utilities and other pending litigation;
- Offset any funds/collateral available to Thrive ED;
- Assess the collateral for value;
- Secure the collateral by taking possession, if allowed by law;
- Determine the Fair Market Value prior to foreclosure action being commenced;
- Updates may be required throughout to process; and
- Ask the court to appoint a receiver for the collateral, depending on the nature of the collateral and the performance of the Borrower.

Allowance for Loan Losses

The LLDFLC shall maintain an Allowance for Loan Losses (ALL) in accordance with GAAP. Overall responsibility for the ALL resides with the LLDFLC with guidance regarding policy from the Founding Investors and Staff Loan Team. The ALL should always be adequate to absorb the estimated losses in the organization's loan portfolio. The President and/or the RLF Manager will be accountable for estimating loan losses in accordance with GAAP for the general allowance. For the purpose of evaluating the adequacy of the ALL, the President and the RLF Manager shall consider all outstanding loans and binding commitments to lend and other credit related exposures. In addition, if not provided for elsewhere, the ALL will

include a provision for inherent losses and other credit related exposures arising from uncollectible accrued interest on loans.

An effective loan review system and loan rating system with controls that identify, monitor, and address asset quality problems in a timely manner is essential to the calculation of an adequate reserve. The loan review systems and controls must be responsive to changes in internal and external factors affecting the level of credit risk and ensuring the timely charge-off of loans, or portions of loans, for which a loss has been confirmed.

The LLDFLC will be responsible for ensuring there is adequate documentation for the procedures for determining the level of the ALL, including analysis of all significant factors affecting the collectability of the portfolio. The LLDFLC shall evaluate the adequacy of the ALL on a quarterly basis and report its findings to the Founding Investors for their review and approval.

X. Appendix and Exhibits

Exhibit A: Requirements for prospective Borrowers

Prospective Borrowers are responsible for providing the Staff Loan Team with information and diligence requests on a required basis. The prospective Borrower is required to provide the following information and items:

- Annual financial statements and, if appropriate, tax returns of the Borrower for the past three years;
- Annual financial statements and, if appropriate, tax returns for any individual or business guarantor;
- At least three years of financial projections of the property;
- Project budget and timeline;
- Rent roll (excluding personal tenant information);
- Environmental Questionnaire;
- Adequate insurance coverage for liability, hazard, worker's compensation, and flood (if located in Special Flood Hazard Area);
- Certificates of formation/good standing (taxes);
- Invoice and Payment Instructions;
- Adequate Capital, and/or Credit Enhancements, from the Borrower, given the nature, scope, and complexity of the Project; and
- Transparent, verifiable, identification of all Capital and Debt sources for the Project, and their related terms and conditions

The LLDF will use best efforts to match the requirements of the senior lender.

Exhibit B: Insurance Requirements

Thrive ED will require each Borrower to maintain insurance coverage through the duration of the loan agreement. Borrowers are required to show proof of the following insurance coverage:

1. Property insurance in an amount sufficient to meet all liabilities
2. Flood Insurance (if applicable)
3. Commercial General Liability (CGL) Insurance
 - a. Minimum \$1 million per occurrence
4. Worker's Compensation and Employee Liability Insurance

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