

RESOLUTION NO. 2008-81

RESOLUTION BY THE FINANCE AND HUMAN RESOURCES COMMITTEE AUTHORIZING RACINE COUNTY TO MAKE AN INVESTMENT OF UP TO \$250,000.00 FOR THE PURPOSE OF CREATING A REVOLVING LOAN FUND FOR WOMEN IN MINORITY OWNED BUSINESSES

To the Honorable Members of the Racine County Board of Supervisors:

BE IT RESOLVED by the Racine County Board of Supervisors that an investment in the amount of \$250,000 to the Wisconsin Women’s Business Initiative Corporation (“WWBIC”) pursuant to the terms and conditions set out in the Term Loan Agreement marked as “Exhibit A,” that is attached hereto and incorporated herein, is authorized and approved.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that any two of the County Clerk, the County Executive and/or the County Board Chairman are authorized to execute any contracts, agreements or any other documents necessary to carry out the intent of this resolution.

Respectfully submitted,

1st Reading _____

FINANCE AND HUMAN RESOURCES COMMITTEE

2nd Reading _____

BOARD ACTION

Karen A. Nelson, Chairman

Adopted _____

For _____

Against _____

Absent _____

Robert N. Miller, Vice-Chairman

VOTE REQUIRED: Majority

Thomas Pringle, Secretary

Prepared by:
Corporation Counsel

Russell A. Clark

Q. A. Shakoor, II

Van H. Wanggaard

Pamela Zenner-Richards

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

3
4
5 **INFORMATION ONLY**
6

7 **WHEREAS**, The Wisconsin Women's Business Initiative Corporation (WWBIC) is an
8 economic development corporation providing quality business education, technical
9 assistance and access to capital for entrepreneurs. Established in 1989, WWBIC consults,
10 educates and mentors owners of small and micro businesses throughout Wisconsin. We
11 concentrate our efforts with women, people of color and those of lower incomes; and
12

13 **WHEREAS**. WWBIC promises to pay to Racine County the principal sum of Two
14 Hundred Fifty Thousand Dollars (\$ 250,000.00) on October 1st, 2018, plus interest; and
15

16 **WHEREAS**, the loan bears interest on the unpaid principal balance before maturity at
17 the rate of 2% per annum. Interest shall be calculated on a 360 day year consisting of
18 twelve 30 day months. Interest is due and payable on December 31, 2008 and June 30,
19 2009 and on the same dates of each consecutive year thereafter, and at maturity.
20

21 **WHEREAS**, the goal of this investment is to encourage micro-lending by WWBIC to
22 business owners in Racine County. Funds can be loaned to a borrower residing either
23 inside or outside of Racine County so long as its primary business location is within the
24 legal boundaries of Racine County.

TERM LOAN AGREEMENT

This TERM LOAN AGREEMENT (“Agreement”) is by and between WISCONSIN WOMEN’S BUSINESS INITIATIVE CORPORATION (“WWBIC”) and RACINE COUNTY (“RC”).

WWBIC and RC wish to enter into a lender/borrower relationship; they do so in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WWBIC and RC agree as follows:

1. Term Loan. RC hereby agrees to lend the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) to WWBIC as a term loan (the “Loan”), and WWBIC agrees to borrow the said sum from RC upon the terms and conditions set forth herein.

The Term Loan shall be evidenced by and payable to in accordance with the Term Business Note in the form of Exhibit 1 and any renewals, extensions or modifications thereof. Amount advanced to WWBIC under the Term Loan and repaid to RC may not be reborrowed by WWBIC under this Agreement.

RC will provide the loan to WWBIC in two installments of \$125,000 each. The first installment will occur immediately; the second will be at WWBIC’s request and demonstration of deployment of the initial installment.

2. Condition for Loan. RC’s obligation to make the Loan is subject to satisfaction of the condition that RC shall have received the Term Note properly executed by WWBIC.
3. Representations. WWBIC represents and warrants to RC that:
 - a) Purpose of Loan. The Loan funds will be used to make loans for business and economic development purposes and for one or more of the following purposes:
 - (i) To create opportunities for people who are economically disadvantaged to achieve economic independence;
 - (ii) To address the needs of women or racial or ethnic minorities;
 - (iii) To provide opportunity for those who re-borrow the funds to establish or promote or grow their business.

The funds will only be used for lending within Racine County. The funds can be loaned to a borrower living either within or outside of Racine County as long as it’s primary business

location is within the legal boundaries of Racine County. If the borrower moves the primary business location outside the legal boundaries of Racine County and maintains an outstanding loan balance from the Racine County fund, the loan will be immediately deemed in default and be immediately due and payable.

The funds will not be used to promote, support, or be associated with, drugs, weapons, or any discrimination related activities.

- b) Authority. The execution and delivery of this Agreement and the Note and the performance by WWBIC of its obligations under this Agreement and the Note are within its power, have been duly authorized by proper action on the part of WWBIC, are not in violation of any existing law, rule or regulation, any order or decision of any court, the Articles of Incorporation, Bylaws or other governing documents of WWBIC, as applicable, or the terms of any agreement or restriction to which WWBIC is a party or by which it is bound, and do not require the approval or consent of any person or entity. This Agreement, the Note and all documents delivered by WWBIC hereunder, when executed and delivered, will constitute the valid and binding obligations of WWBIC enforceable in accordance with their terms.
 - c) Organization. WWBIC is a corporation validly existing and in good standing under the laws of the State of Wisconsin.
4. Principal and Interest. WWBIC agrees to pay interest and repay principal to RC on the unpaid principal balance of the Loan in accordance with the Note. Principal may be prepaid at any time, without penalty.
5. Default and Acceleration. Upon the occurrence of any one or more of the following Events of Default:
- a) WWBIC fails to pay any amount when due under this Agreement of the Note;
 - b) Any representation or warranty made under this Agreement or information provided by WWBIC in connection with this Agreement is or was false or fraudulent in any material respect; or
 - c) WWBIC fails to timely observe or perform any of the covenants or duties contained in this Agreement or in the Note;

then, at RC's option, and upon notice to WWBIC, the total unpaid balance of the Loan shall become immediately due and payable without presentment, demand, protest, or further notice of any kind, all which are hereby expressly waived by WWBIC. The total unpaid balance of the Loan shall automatically become due and payable in the event

WWBIC becomes the subject of bankruptcy or other insolvency proceedings. RC may waive any default without waiving any other subsequent or prior default. WWBIC agrees to pay all costs of collection before and after judgment, including reasonable attorneys' fees and legal expenses.

6. Amendment. No amendment, modification, termination or waiver of any provision of this Agreement, nor consent to any departure by WWBIC from any provision of this Agreement shall in any event be effective unless it is in writing and signed by RC, and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which given.

7. Entire Agreement. This Agreement, including the Exhibits attached to it and any Note evidencing a Loan, is intended by WWBIC and RC as a final expression of this Agreement and as a complete and exclusive statement of its terms, there being no conditions to the full effectiveness of this Agreement except as set forth in this Agreement.

8. No Waiver; Remedies. No failure on the part of RC to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

9. Address. WWBIC's address and facsimile number are shown below. WWBIC shall notify RC in writing of any change of address.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of RC and WWBIC and their respective heirs, personal representatives, successors and assigns except that WWBIC may not assign or transfer any of WWBIC's rights under this Agreement without the prior written consent of RC.

11. Interpretation. The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin. Invalidity of any provision of this Agreement shall not affect the validity of any other provisions of this Agreement.

Dated as of September XX, 2008.

LENDER:

RACINE COUNTY ("RC")

By: _____

Its: _____

730 Wisconsin Avenue
Racine WI 53403
(Fax # 262.636.3549)

CUSTOMER:

WISCONSIN WOMEN'S
BUSINESS INITIATIVE
CORPORATION
("WWBIC")

By: _____

Its: _____

2745 N. Dr. Martin Luther
King Jr. Drive
Milwaukee, WI 53212
(Fax # 414.263.5456)

Exhibit 1: Term Note

TERM BUSINESS NOTE

September 30, 2008

\$ 250,000.00

Wisconsin Women's Business Initiative Corporation ("Maker") promises to pay to Racine County ("Lender") the principal sum of Two Hundred Fifty Thousand Dollars (\$ 250,000.00) on October 1st, 2018, plus interest as set forth below.

This Note bears interest on the unpaid principal balance before maturity at the rate of 2 % per annum. Interest shall be calculated on a 360 day year consisting of twelve 30 day months. Interest is due and payable on December 31, 2008 and June 30, 2009 and on the same dates of each consecutive year thereafter, and at maturity. All unpaid principal and accrued interest bear interest after maturity, whether occurring by acceleration or lapse of time, until paid, at the rate of 2 %.

Full or partial prepayment of this Note is permitted at any time without penalty.

If Maker fails to make a payment under this Note when due, or upon the occurrence of an event of default described in the Loan Agreement governing this Note, Lender may declare the entire balance of principal and accrued interest to be payable immediately, without notice or demand.

Presentment, protest, demand and notice of dishonor are waived. Lender may, without notice, grant renewals or extensions, accept partial payments, release or impair any collateral security for the payment of this Note or agree not to sue any party liable on it. Maker agrees to pay all costs of collection before and after judgment, including reasonable attorneys' fees.

This Note may not be supplemented or modified except in writing. This Note benefits Lender, its successors and assigns, and binds Maker and its successors and assigns.

**WISCONSIN WOMEN'S BUSINESS
INITIATIVE CORPORATION**

By: _____

Its: _____