

**Meeting Notes**  
**Bay-Lake Regional RLF Discussion**  
**March 12, 2013**

Attendees: Rich Heath, Paul Ehrfurth, Ken Pabich, Pam Kolasinski, Ann Hartnell, Barb LaMue, David Less, Dan Pawlitzke, Bill Chaudoir, Fred Monique, Matt Payette, Mel Blanke, and Wendy Gehlhoff (via phone)

These key topics were discussed:

1. Rich (Bay-Lake) provided a new draft of the “Memorandum of Understanding” (MOU) that identifies Bay-Lake RPC as the fiscal agent for the region, and provides a general framework for reimbursement of administrative expenses. This MOU is only to establish a fiscal agent that WEDC can work with to reimburse local loan programs for their expenses during the transition. The MOU is not a commitment for any organization, community, or county to ultimately participate in the regionalization of the local RLFs. The MOU would cover expenses above and beyond what is being reimbursed for through the traditional allowable loan administration funds. Eligible period for reimbursement under the MOU is 7/1/2012 – 6/30/2013. Rich drafted a reimbursement form and asked each of the local loan programs to keep track of their invoices, travel logs, etc., so he can make a request for payment later this spring. If a community was going to sign on to the MOU, the original signature page should be mailed to Rich. However, a community/county would first have to approve entering into the MOU.
2. Pam (WEDC) wants to know by the end of March, if \$50,000 is enough funding under the MOU for this region. If there are any changes to the MOU, committee members should get them to Rich as soon as possible. Pam stated that this current MOU was reviewed by WEDC’s legal staff already and any changes to the MOU would have to go back through legal review. The MOU needs to be signed by any participating local loan program; and Pam reminded everyone that reimbursement was only for RLF staff time, travel, and other documented expenses related to this process. Dave (Manitowoc) asked if the wage calculation was for both salary and benefits? Pam stated that it was for both.
3. Fred (Advance) commented that the largest share of reimbursement would likely be related to time spent by Ken (De Pere) and Bill (Door County) for the preparation of multiple drafts of the proposed loan manual.
4. Dave commented that WEDC has not provided a legal opinion to date regarding conducting of meetings or business through electronic media. This point has been made in previous meetings as open government and economic development are often competing ideals. This issue extends to WI’s open meeting and open record laws vs. electronic transaction of business at regional board meetings and other sessions involving the regional and subregional entities, and how meetings by email and phone would be handled. This opinion would hopefully address whether or not the regional or subregional RLF entity was considered a

“governmental body or corporation” subject to these laws. The legal opinion of WEDC or the WI Attorney General on this matter would be welcomed.

5. It was unclear as to how many organizations were being kept abreast of these meetings and whether or not they were aware of where the process was at this time. It is hoped that everyone was transmitting information to local elected officials and loan committee members, so everyone is informed as to what is taking place with the regionalization of the local loan programs. Rich stated that he emails the notes and agenda out to several people in the region and that the individual county contacts should be forwarding the information on to other stakeholders in the county.
6. More questions were raised on how to handle and use the “Interviewee/Employee Self Certification Form” that had been provided by WEDC at a previous meeting. The committee members felt that the form would be tested with several loans being made at this time. Rich explained that the West Central RLF area had refined the anti-piracy requirements. Dan (Two Rivers) commented that the self certification and anti-pirating requirements had been integrated into the Two Rivers loan policy manual. He questioned if they should likewise be included in the regional RLF loan manual.
7. When asked how WEDC would be handling oversight of the self certification process, Barb (WEDC) commented that she just wanted communities to keep the completed forms in their files for future reference and monitoring. Ken raised the question of what may happen if an employer was not able to attain the 51% threshold for interviewing LMI’s? He noted that Chela (WEDC) had previously advised our committee that employers had to attain the threshold. Pam commented that they had been using the self certification form for years, and usage by employers had averaged out in excess of the 51% requirement for interviewees. She added that reviewing compliance with this form might become part of WEDC’s semi-annual audit.

Dan asked if the self certification requirement ended when an employer hit the 51% threshold, or if it continued over the life of the loan? Pam answered “yes,” it ended once they met the 51%. Bill asked if we would utilize the same self certification form for job retention projects? Pam replied that this question had come up before, but she was not clear on how this situation would be handled.

8. Mel (Plymouth) commented that he anticipated problems in selling the regionalization proposal to several of his board members since the self certification requirement would work with his borrowers. Mel felt that the loan manual needed clearer detail regarding: (i) local communities know themselves best and need to retain bona fide approval authority for loans less than \$250k; and (ii) loan terms and underwriting decision standards for loans under \$250k should be left for the community to determine based upon their appetite for risk, and not be elevated to the subregional or regional level, if the local underwriting does not conform to inflexible interest rate and term arrangements, and/or the regional underwriting criteria. The manual text needs to clearly detail the rights of the local

community to approve loans at or below \$250k without any franking privileges from the subregional or regional levels.

9. Rich commented that once the locally assigned dollars were transferred into the regional pool and subsequently disbursed, they became de-federalized. De-federalized dollars were more flexible than federalized dollars.
10. Paul (Oconto) asked if we had an understanding as to why dollars that had already circulated through local RLF's were not being classified as de-federalized? Barb (WEDC) commented that the de-federalization can only occur at the regional level, adding that this had been a long standing policy of HUD.
11. Mel commented that we had no way of knowing if HUD would approve our subregional approach, which was unsettling to him.
12. The committee members then reviewed the March 2013 "Draft 4" of the Loan Manual. It was noted that Dan and Dave had provided comments. Ken and Bill will prepare "Draft 5" of the Loan Manual for our next meeting with the expectation that it would be approved at that time and then distributed for review by local officials.
13. Wendy (Florence County) asked for clarification as to whether the local RLF loan committee had to first review a loan over \$250k? Ken felt that for loans above \$250k, a local recommendation should not be required. However, after more discussion, the committee took the position that all loans began with a review at the local level. Ken will clarify this stipulation in "Draft 5".
14. The committee then discussed the likelihood that an annual allocation formula could be used for distributing administrative funding at the local level from the regional account, and how this could be included in the manual. Dan provided a rewritten policy on this matter which was distributed and discussed by the committee members. Pam felt that any kind of general allocation arrangement would not be approved by WEDC, and that reimbursement would only be available for actual expenses incurred. Dan asked Pam to get more information on whether an allocation arrangement would be acceptable to WEDC, noting that this was an important element in being able to sell the regionalization concept to the City Manager for Two Rivers.
15. Barb commented that communities would have to justify how they were spending their time on CDBG activities and that those expenses must be justified. Barb added that WEDC was also doing this in order to satisfy and get reimbursement from HUD. Barb noted that normal day-to-day activities should not be paid for with CDBG dollars, and that qualified expenses had to be tied to RLF activities. It was not clear how the link between work activities and RLF functions would be justified.
16. Dave commented that he was concerned with a lack of uniformity and confusion in the region might end up with a "Swiss Cheese" effect may happen in our region with only some communities participating in the regional program. Dave felt that an administrative allocation over a set period of time (i.e. 5-10 years) might be a

prudent way to secure buy in from local communities that would be negatively impacted by the loss of CDBG RLF administration monies.

17. Barb noted that WDOA was technically the lead agency for HUD dollars used in Wisconsin and talked about the WEDC's problems with HUD in the recent past.
18. Pam will provide a listing of activities and expenses to the committee members as to what constitutes as a "qualified expenditure." Ken will add this list to "Draft 5" of the Loan Manual.
19. Fred wanted to remind the committee members of a comment he made at the last meeting; that his commitment to have Advance serve as the regional administrative entity for 1% of the administration dollars, excluded any costs for collections, audits, and legal fees.
20. Bill asked that the manual be further clarified in "Draft 5" which body(ies) would be setting policies for the region.
21. Dan asked that the manual have more specificity, and wanted some clarity as to how a community could remove itself from the regional program in the future and have its monies re-allocated back to the community. There was discussion regarding frequency of reimbursement of administrative dollars. Pam felt it could occur monthly at regional Board meetings. Rich was concerned that more administrative layers were being added into this process and the associated costs with those additional steps and actions.
22. Pam noted that the board members overseeing the Central Wisconsin Regional Loan Program were typically not reimbursed for travel expenses. But if it is decided to reimburse board members in this region for their travel and other expenses, those costs are eligible for reimbursement.
23. Pam commented that the 1% for the program manager would likely need to be increased due to greater demands being placed on that entity. Mel questioned if the 3% admin limit was a WEDC or HUD imposed threshold? Pam stated it was a WEDC requirement.
24. Wendy felt that more standardization requirements for the local loan committee structures were needed. Pam noted that the size of the local loan committees was to be determined locally.
25. The committee took a cursory look at West Central's "Regional Business Fund, Inc. Investment Policy." It was felt that this issue would be best handled by the regional nonprofit board in the future.
26. Pam commented that the regional board first started their regular RLF program, and then as loan funds were repaid, began the façade and micro programs. She felt it best to wait until there was more de-federalized dollars on hand than federalized dollars before expanding program lending options.
27. Dave wanted the "Draft 5" guidelines to include a provision regarding the usage of de-federalized funds. A loan committee at any level could do whatever it took to make a project financially feasible, if it was in the community's best interest. Dave did not want to limit flexibility by writing the lending guidelines that are too

restrictive. Bill asked about the same flexibility to use the federalized monies? Pam replied that HUD guidelines would have to be followed for the federalized dollars.

28. Regarding the creation of a 501(c) (4) tax exempt entity, Pam stated that it could only be formed when at least 3 counties agree to participate in the creation of a Regional RLF program. FOR THE FIRST TIME, WE HEARD THAT A LOCAL COMMUNITY (Town, City, Village) COULD ONLY PARTICIPATE IN THE REGIONAL PROGRAM ***IF*** THE COUNTY FIRST AGREED TO PARTICIPATE. In other words, a local community could not join on its own, if its jurisdictional county did not want to participate. Pam advised that this was a WEDC rule. Several committee members asked Pam to get clarification on this requirement and reconfirm WEDC's position. Ken advised that in past conversations with Chela (before she left WEDC) there was no mention of this pre-requisite, and today's news was contrary to what she had told him.
29. Barb commented that communities that didn't join the regional program could be candidates for HUD audits in the future.
30. Important next steps,
  - a. The committee felt that WEDC should be prepared to make, or at least participate in presentations on this regional loan initiative, to counties and local RLF communities.
  - b. Rich's contact at Schenck told him that the creation of a 501(c)(4) entity could take 3 months. He will invite someone to the next meeting from Schenck to talk about the process to establish a nonprofit.
  - c. Pam again stated that a minimum of 3 counties would have to pass resolutions to form the regional board, as well as submit names of persons to the serve on the regional nonprofit board.
  - d. Barb added that if there were issues with counties, then a plan "B" needed to be discussed.
  - e. Ken asked Rich to email to everyone the by-laws and articles of incorporation from the West Central Wisconsin Regional RLF Program for their review prior to the next meeting.

Deadline for providing Ken with comments, edits etc. for "Draft 5" of the Loan Manual is March 29<sup>th</sup>.

Next meeting has been tentatively scheduled for Wednesday, April 24, 2012 at 9:00 a.m. at the Bay-Lake Regional Planning Commission.

Notes Taken by:  
Richard Heath

181.1002 - DEPT OF  
FINANCIAL INSTITUTIONS  
Stats. STATE OF WISCONSIN

State of Wisconsin  
Department of Financial Institutions  
Division of Corporate and Consumer Services



2006 DEC 15 AM 9:33

### ARTICLES OF AMENDMENT - NONSTOCK CORPORATION

A. The present corporate name (prior to any change effected by this amendment) is:  
Regional Business Fund, Inc.

(Enter Corporate Name)

Text of Amendment (Refer to the existing articles of incorporation and the instructions on the reverse of this form. Determine those items to be changed and set forth the number identifying the paragraph being changed and how the amended paragraph is to read.)

RESOLVED, THAT the articles of incorporation be amended as follows:

Resolved, that the provisions under the section beginning with "The Board of Directors is to be selected as follows", of Article 10 of the Articles of Incorporation, shall be amended to read as follows: (see attached schedule)

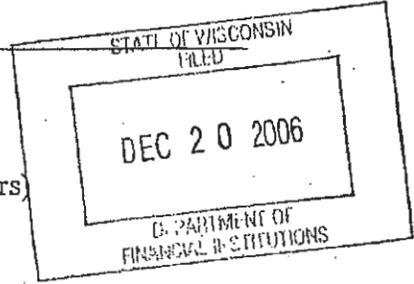
Amendment(s) adopted on December 13, 2006

(Indicate the method of adoption by checking (X) the appropriate choice below.)

In accordance with sec. 181.1002, Wis. Stats. (By the Board of Directors)

OR  
 In accordance with sec. 181.1003, Wis. Stats. (By Members)

OR  
 In accordance with sec. 181.1004, Wis. Stats. (By Members voting by Class)



C. Approval by 3<sup>rd</sup> Person (Contingency Statement)

Written approval for amending the articles of incorporation was obtained from the person whose approval is required by a provision of the articles of incorporation authorized under sec. 181.1030.

D. Executed on 12/13/06  
(Date)

Title:  President  Secretary  
or other officer title \_\_\_\_\_

Raymond K. Hughes

(Printed name)

This document was drafted by Jason Griepentrog  
(Name the individual who drafted the document)

ARTICLES OF AMENDMENT (Ch. 181, Nonstock)

Regional Business Fund, Inc  
800 Wisconsin Street, Mail Box 9  
Eau Claire, WI 54703  
C/O Ann Raid, WCWRPC

▲ Your return address and phone number during the day: (715) 836-2918

INSTRUCTIONS (Ref. sec. 181.1005 Wis. Stats. for document content)

Submit one original and one exact copy to Dept. of Financial Institutions, P O Box 7846, Madison WI, 53707-7846, together with a **FILING FEE** of \$25.00, payable to the department. Filing fee is **non-refundable**. (If sent by Express or Priority U.S. mail, address to 345 W. Washington Ave., 3<sup>rd</sup> Floor, Madison WI, 53703). The original must include an original manual signature, per sec. 181.0120(2), Wis. Stats. **NOTICE:** This form may be used to accomplish a filing required or permitted by statute to be made with the department. Information requested may be used for secondary purposes. If you have any questions, please contact the Division of Corporate & Consumer Services at 608-261-7577. Hearing-impaired may call 608-266-8818 for TDY.

- A. Enter the name of the corporation (before any change effected by this amendment) and the text of the amendment(s). The text should recite the resolution adopted (e.g., "Resolved, that Article 1 of the articles of incorporation be amended to read: . . . . . (set forth the amended article).
- B. Enter the date of adoption of the amendment(s). If there is more than one amendment, identify the date of adoption of each. Mark (X) one of the three choices to indicate the method of adoption of the amendment(s).

By Board of Directors – Refer to sec. 181.1002 for specific information on the character of amendments that may be adopted by the Board of Directors without the approval of members with voting rights.

By Members – Adoption by members requires 2/3<sup>rd</sup> of votes cast or a majority of the voting power, whichever is less, except as conditioned by the articles of incorporation, bylaws, ss. 181.1002(1), 181.1030 or other provisions of Ch. 181, Wis. Stats.

By Members thru Class Voting – Refer to sec. 181.1004 for specific information on class voting by members.

- C. Approval by Other Person – Amendment of the articles of incorporation may require the approval of a person other than the board or members, if so specified in the articles of incorporation under sec. 181.1030.
- D. Enter the date of execution and the name and title of the person signing the document. The document must be signed by one of the following: An officer of the corporation (or incorporator if directors have not been elected), or a court-appointed receiver, trustee or fiduciary. A director is **not** empowered to sign.

If the document is executed in Wisconsin, sec. 182.01(3) provides that it shall not be filed unless the name of the person (individual) who drafted it is printed, typewritten or stamped thereon in a legible manner. If the document is not executed in Wisconsin, enter that remark.

### Schedule to the Articles of Amendment – Nonstock Corporation

The Board of Directors shall consist of nine (9) individuals. Each of the -seven counties (Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix) shall be represented on the Board of Directors and at least one (1) of the Directors shall have lending experience.

The West Central Regional Planning Commission ("Commission") shall appoint one (1) individual to serve on the Board of Directors. One (1) appointee is to be selected by the Corporation's Board of Directors.

The Directors shall be representative of lending institutions, local governments, utilities, local development organizations, and businesses. However, not all of these groups need be represented at all times. The seven individuals representing each County above shall be selected in accordance with the procedures outlined in the West Central Wisconsin Investment Strategy as it may from time to time be amended.

Appointments shall be made prior to the annual meeting. The corporation's appointment shall be selected by the current and outgoing Board of Directors from a list of nominees. All Board Directors shall take office at the Board's annual meeting.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene (including the publishing or distribution of statements) in any political campaign on behalf of any candidate or public office.

Form 102  
Secretary of State  
WISCONSIN  
4/93

## Nonstock Articles of Incorporation

Executed by the undersigned for the purpose of forming a Wisconsin corporation under Chapter 181 of the Wisconsin Statutes, WITHOUT STOCK AND NOT FOR PROFIT.

### *Article 1.*

The name of the corporation is the Regional Business Fund, Inc.

### *Article 2.*

The period of existence shall be perpetual.

### *Article 3.*

The purposes shall be to promote business and economic development in west central Wisconsin through the establishment and administration of a revolving loan fund for businesses and to engage in any other lawful activity within the purposes for which corporations shall be organized under the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes; provided, however, that such is not inconsistent with the foregoing or with the requirements of Section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Code).

This corporation is organized exclusively as a business league for the purposes set forth above and other similar purposes as a not-for-profit corporation; and its activities shall be conducted for the aforesaid purposes in such a manner that no part of the net earning shall inure to the benefit of or be distributable to its members, trustees, officers or other private parties except that the corporation shall be authorized and empowered to pay reasonable compensation for the services rendered. Upon dissolution of the corporation, and after payment of just debts and liabilities, all remaining assets shall be distributed to organizations enjoying an exempt status under Section 501(c) of the Internal Revenue Code of 1954, as amended, or successor provisions.

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the

purposes of the corporation in such manner, or to such organization or organizations organized and operating exclusively for such purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of Eau Claire County, Wisconsin, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purpose.

*Article 4.*

The principal office is located in Eau Claire County, Wisconsin. The address of the principal office is:

Regional Business Fund, Inc.  
c/o Robert D. Sather  
Building D2, Suite 401  
800 Wisconsin St., Mail Box 9  
Eau Claire, WI 54703-3606

*Article 5.*

The name of the initial registered agent is William Thiel.

*Article 6.*

The address of the initial registered agent is:

Weld, Riley, Prenn & Ricci, S.C.  
715 S. Barstow Street  
P.O. Box 1030  
Eau Claire, WI 54703-1030

*Article 7.*

These articles may be amended in the manner authorized by law at the time of amendment.

*Article 8.* CHECK THE APPROPRIATE BOX.

The number of directors shall be fixed by by-law but shall not be less than three (3).

or

The number of directors shall be \_\_\_\_\_.

*Article 9.*

The names and addresses of the initial Board of Directors are:

Kenneth Steinmetz, Secretary/Treasurer  
Route 1  
Stanley, WI 54768

Edward Ferber, Vice President  
E809 Co. Road P  
Menomonie, WI 54751

Robert D. Sather, President  
Regional Business Fund, Inc.  
Building D2, Suite 401  
800 Wisconsin Street, Mail Box 9  
Eau Claire, WI 54703-3606

*Article 10.* CHECK THE APPROPRIATE BOX.

Membership Provisions will be set forth in the by-laws.

or

Membership Provisions are as follows:

The corporation is to have no members.

The Board of Directors is to be selected as follows:

Six (6) Directors will be selected by the West Central Wisconsin Regional Planning Commission. One (1) Director will be selected by the Board of Directors of the Regional Business Fund, Inc. Directors of the corporation shall include at least one person representing each of the Counties of Chippewa, Clark, Dunn, Eau Claire, and St. Croix. The Directors will include representatives from the following groups: private lending institutions, local government, businesses, community organizations, and utilities. At least one (1) Director shall have private lending experience.

No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene (including the publishing or distribution of statements) in any political campaign on behalf of any candidate for public office.

*Article 11.*

Other relevant provisions are set forth in the by-laws.

Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on:

(a) By a corporation exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); or

(b) By a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

*Article 12.*

The name(s) and address(es) of incorporator(s) are:

Robert D. Sather  
Regional Business Fund, Inc.  
Building D2, Suite 401  
800 Wisconsin Street, Mail Box 9  
Eau Claire, WI 54703-3606

Executed in duplicate on May 23, 1995

Incorporator(s) signature: x Robert D. Sather

This document was drafted by Ann Raid, Senior Planner, West Central Wisconsin Regional Planning Commission, telephone (715) 836-2918.

Nonstock Articles of Incorporation

NOTARY: In completing this section, please specifically name the individual(s) whose signature(s) you are witnessing. The names you cite should agree in every particular with the printed or typewritten name(s) as they appear in Article 12. Affix your seal, sign and state commission expiration date.

STATE OF WISCONSIN  
County of Eau Claire SS.

Personally came before me this 23<sup>rd</sup> day of May A.D.,  
1995 the aforementioned incorporation (1) Robert D. Sather  
to me known to be the persons who executed the foregoing instrument, and  
acknowledged the same.

My commission  
expires 2-18-96

[Signature]  
Notary Public Signature

Notarial  
Seal

Second and third choice corporate name: This name would be entered in Article 1., if the first choice corporation name is unavailable:

- (2) Regional Development Fund, Inc.
- (3) Regional Capital Corporation

ARTICLES OF INCORPORATION

Mail Returned Copy To:

Regional Business Fund, Inc.  
c/o Robert D. Sather  
Building D2, Suite 401  
800 Wisconsin Street, Mail Box 9  
Eau Claire, WI 54703-3606

If a problem exists, your daytime phone number is : (715) 836-2918, contact person is Ann Raid.

DECEMBER 2006  
RESTATED BY-LAWS  
REGIONAL BUSINESS FUND, INC.

Article I - General

*Section 1: Regional Business Fund, Inc.*

This organization shall be known as the Regional Business Fund, Inc. ("The Corporation"). The Corporation shall be located at Building D2, Suite 401, 800 Wisconsin Street, Mail Box 9, Eau Claire, Wisconsin 54703-3606.

*Section 2: Purpose*

The purpose of the Corporation is promoting business and economic development in west central Wisconsin through the establishment and operation of revolving loan funds for businesses.

*Section 3: Area Served*

The Corporation will serve the Counties of Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix and any other eligible contiguous municipalities which will enhance development opportunities within the area of west central Wisconsin.

*Section 4: Powers*

This corporation will be non-stock and non-profit and will have the power to conduct any and all business permitted or organizations of this type under the laws of the State of Wisconsin

Article II - Board of Directors

*Section 1: Power, Authority, Role*

The business affairs and property of the corporation shall be managed by the Board of Directors.

It shall be the duty of the Board of Directors to set policy, to run a financially sound corporation, to carry out the purposes of the corporation and to generally manage the property, affairs and business of the corporation.

## *Section 2: Numbers, Appointment and Term*

It shall be the responsibility of the Board to adopt and implement the West Central Wisconsin Investment Strategy and its Procedures Manual and all amendments and agreements, the Technology Enterprise Fund (TEF) Manual and all amendments and agreements, the EDA loan fund manuals and all of the related agreements and amendments associated with it.

The Board of Directors shall consist of nine (9) individuals. Each of the seven counties (Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix) shall be represented on the Board of Directors and at least one (1) of the Directors shall have lending experience.

Seven individuals representing each County will be selected in accordance with the procedures outlined in the West Central Wisconsin Investment Strategy.

The West Central Regional Planning Commission ("Commission") shall appoint one (1) individual to serve on the Board of Directors. One (1) appointee is to be selected by the Corporation's Board of Directors.

The Directors shall be representative of lending institutions, local governments, utilities, local development organizations, and businesses. However, not all of these groups need be represented at all times. The seven individuals representing each County above shall be selected in accordance with the procedures outlined in the West Central Wisconsin Investment Strategy as it may from time to time be amended.

Appointments shall be made prior to the annual meeting. The corporation's appointment shall be selected by the current and outgoing Board of Directors from a list of nominees. All Board Directors shall take office at the Board's annual meeting.

Directors shall serve terms of three (3) years. The terms of the Directors shall be staggered so that one-third (1/3) of the Directors are elected each year. Directors will be limited to three (3) terms following their initial appointment.

## *Section 3: Resignation, Removal, Vacancies*

A Director may resign at any time by notifying the secretary in writing of such resignation.

A Director may be removed from office at a regular or special meeting of the Board upon receipt of written notice from the appointing entity that such Director no longer represents the entity. Any Director may be removed from office for good cause by two-

third (2/3) vote of the total Board. The Board of Directors shall be the sole judge of the cause of removal and their decision shall be final.

Vacancies shall be filled by appointment by the entity responsible for appointing such Director. Directors appointed to fill vacancies on the Board shall serve the unexpired term associated with the vacancy.

#### *Section 4: Quorum*

A simple majority of the Board of Directors then in office shall constitute a quorum for the transaction of business except where specified by law or by the Corporation's by-laws. A Director shall be deemed present at a meeting of the Board if he/she participates by means of conference phone or an acceptable electronic mode of communication.

#### *Section 5: Proxies*

The Corporation shall not accept proxy votes.

### **Article III - Meetings**

#### *Section 1: Annual Meeting*

The annual meeting shall be held during the month of March at such time and place designated by the President. The purpose of the annual meeting is to elect Officers and conduct such business as may properly come before the Board.

#### *Section 2: Regular Meetings*

Regular meetings shall be held at such time and place as the Board may designate.

#### *Section 3: Special Meetings*

Special meetings may be called by the President or upon written request by two (2) or more Directors.

#### *Section 4: Notice of Meetings*

Notice shall be given to each Director personally or by telephone or email at least five (5) days before the time set for each regular meeting and twenty-four (24) hours before the time set for each special meeting, or by depositing such notice in any post office or

U.S. mailbox in Eau Claire County or by emailing such notice at least five (5) days before the time set for each regular meeting and seventy-two (72) hours before the time set for each special meeting.

#### *Section 5: Waiver of Notice*

A meeting of the Board of Directors may be legally held if at least a three-fourths (3/4) majority of the Directors sign a waiver of notice of that meeting.

### **Article IV - Officers**

#### *Section 1: General*

The Board of Directors shall at the annual meeting choose from among their number a President, Vice-President and Secretary/Treasurer. Such officers shall take office immediately upon election and shall hold office for one (1) year and until their successors are elected and qualified. Officer vacancies, other than the office of the President, occurring prior to the annual meeting of the corporation shall be filled by action of the Board of Directors at any regular or special meeting of the Board.

#### *Section 2: President*

The President shall preside, and may vote, at all meetings of the Board of Directors. The President shall present a detailed report at each annual meeting of the Board covering the operations during the preceding fiscal year.

The President may sign all papers, orders and documents requiring the signature, and perform such other duties as may be incumbent upon that office or as may be prescribed from time to time by the Bylaws.

#### *Section 3: Vice-President*

The Vice-President shall perform the duties of the President in the absence or disability or in the event of death or resignation of the President. Any vacancy in the Office of the President shall not be filled and the duties of the office during any unexpired term shall be performed by the Vice-President.

#### *Section 4: Secretary/Treasurer*

The Secretary/Treasurer shall keep and distribute the minutes of all meetings of the Board of Directors; see that all notices are duly given in accordance with these By-laws or as required by law; be custodian of corporate records; be responsible for the custody of the funds, properties and securities of the corporation; advise the Board of Directors

of the corporation's financial condition and the handling of its monies and investments; sign all documents as may be required; and perform such other duties as may be specifically assigned by the President.

*Section 5. Delegation of Duties.*

Whenever an officer is absent, or whenever, for any reason, the Board of Directors may deem it desirable, the Board may delegate the powers and duties of an officer to any other officer or to any member

**Article V - Committees**

*Section 1: General*

The Board of Directors by resolution may establish such committees and duties as it determines advisable required, or necessary to accomplish its purpose.

**Article VI - Administration**

The Board of Directors shall at all times make available a professional staff as needed for carrying out the purpose of the corporation.

**Article VII - Fiscal Year**

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

**Article VIII - Authorization, Depositories**

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, contracts, deeds, mortgages, assignments, pledges or any other instrument issued in the name of the corporation shall be signed by such officers or agents of the corporation as determined by or under the authority of a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, savings and loan associations, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

### **Article IX - Indemnification**

The corporation shall indemnify any officer, director, employee or agent against expenses, fees, judgments or fines incurred by such person in connection with any threatened, pending or completed action, suit or proceeding by reason of the fact such person is or was an officer, director, employee or agent of the corporation if the person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the corporation and had no reasonable cause to believe his/her conduct to be unlawful. Such indemnification shall be made pursuant to the provisions of Chapter 181, Wisconsin Statutes, relating to the indemnification of officers or directors and employees or agents of a non-stock corporation.

### **Article X - Conflict of Interest**

No Director(s) of the corporation's Board of Directors or its committees who has an interest in or relationship with any other corporation, firm, association or entity with which the corporation negotiates, authorizes, approves or ratifies a contract or transaction shall be considered to have a conflict of interest if: (1) the interest or relationship is disclosed or known to the Board or committee and the vote(s) or consent of the interested Director(s) are not counted; or (2) the interest or relationship is disclosed or known to all Directors entitled to vote and they authorize, approve or ratify such contract or transactions by vote or written consent; or (3) the transaction is fair and reasonable to the corporation. This Article shall be construed pursuant to Chapter 181, Wisconsin Statutes.

### **Article XI - Seal**

This corporation shall have no corporate seal.

### **Article XII - Amendments**

These by-laws may be amended or restated by a two-thirds (2/3) majority vote of the Board of Directors.

**Exploratory Committee Meeting  
Advance Business & Manufacturing Center  
NWTC Green Bay Campus  
2701 Larsen Road  
April 24, 2013; 9:00 am. to 11:00 am.**

1. Welcome and Introductions
2. Additions or Changes to the Agenda
3. Notes from March 12, 2013 Meeting (attached)
4. Topics Still in Need of WEDC Legal Opinion
5. Fiscal Agent MOU and Process for Reimbursement of Expenses
6. Discussion on Revised Regional RLF Manual and Investment Strategy
7. Discussion on the Formation of a Nonprofit Organization (Bylaws, Articles of Incorporation, and Board)  
(Jean Vande Hey from Schenck and Attorney Jim Ledvina will be attending)
8. County Resolutions for Formation of a Nonprofit Organization
9. Set Timeline:
  - a. Final Draft Loan Manual
  - b. Timeline to Create the Nonprofit Organization
  - c. Obtain 105(a)(15) Status
  - d. Selection of a Program Administrator
10. Set Next Meeting Date and What Materials are needed for the Meeting
11. Adjourn

Thank you!

For those of you unable to attend in person, there is a conference call-in option available to you. The conferencing number is 1-218-862-1300. Conference code is: 639787

Wireless Password Available at Front Desk