

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 30, 2019 - 7:00 P.M.

City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701
West Point Chamber of Commerce – 200 Anna Stalp Ave, West Point, NE 68788
City of Hartington Offices – Conference Room, 107 W State St, Hartington, NE 68739
The Wakefield Civic Center – 407 E 7th, Wakefield, NE 68784

The President and Board of Directors reserve the right to adjourn into closed session
as per Section 84-1410 of the Nebraska Open Meetings Act.

AGENDA

- I. Call to Order:** Inform the public about the location of the Open Meetings Act and that it is accessible to the public (LB 898).
- II. Roll Call**
- III. Introduction of Guests**
- IV. Secretary’s Report**
 - A.** Consideration for approval of the October 30, 2019 Agenda and the September 25, 2019 meeting minutes.
- V. Treasurer’s Report**
 - A.** Consideration for acceptance of the September 2019 Treasurer’s Report as presented.
- VI. Discussion Items**
 - A.** Quarterly Loan Review
- VII. Action Items**
 - A.** Consideration to reaffirm the acceptance of the sub-granted \$50,000 CDBG funds from the Village of Thurston utilizing the Non-Profit Development Organization (NDO) process and approve a loan up to \$200,000 for Midplains Crane Works
 - B.** Consideration for approval of a \$202,250 disaster loan to Laura Kruse to start the 3rd Street Bar & Grill in Osmond
 - C.** Consideration to accept the sub-granted \$13,300 CDBG RLF funds from Knox County utilizing the NDO process for a loan to Holecek Law Office, LLC
 - D.** Consideration for approval of accepting \$145,000 City of Wayne CDBG funds for a loan to Retail Reclaimers, L.L.C. utilizing the NDO process and lending \$200,000 of NED, Inc. funds to Retail Reclaimers, L.L.C.
 - E.** Consideration for approval of a \$15,000 loan subordination with Pinnacle Bank related to the CK Grill and Bar, LLC expansion
- VIII. President/Board Comments**
- IX. Next Meeting Date:** The next Northeast Economic Development, Inc. Board of Directors meeting will be at 7:00 p.m. on Wednesday, November 20, 2019. The meeting will be held via conference call.
- X. Adjournment**

Jim McCarville____ John Lohr____ Brad Albers____ Mike Frank____
Jerry Engdahl____ Shannon Stuchlik____ Megan Weaver____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

NED, Inc Board Agenda

Object: Approve of the October 30, 2019 Agenda and the September 25, 2019 meeting minutes

Contact Person: Thomas L. Higginbotham Jr, Executive Director

For: Action

Explanation: The October 30, 2019 agenda has been posted on the website. The September 25, 2019 meeting minutes have been posted on the website.

Motion: Consideration for approval of the October 30, 2019 Agenda and the September 25, 2019 meeting minutes.

Jim McCarville____ John Lohr____ Brad Albers____ Mike Frank____
Jerry Engdahl____ Shannon Stuchlik____ Megan Weaver____
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

IV. Secretary's Report A.

NED, Inc. Board Agenda

Object: Acceptance of September 2019 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background:

Northeast Economic Development, Inc.'s (NED, Inc) September 2019 Statement of Financial Position and the Statement of Revenues and Expenditures that reflect the monthly Budget, Actual and Budget Variance. Also stated is the Fiscal Year 2020 Budget for the nonaccrual accounts, July 1, 2019, through June 30, 2020, Actual, Budget Variance so far this fiscal year and Percent of the fiscal year 2020 Budget remaining.

Explanation:

Additional Information:

Business Loan Principal Received	30,550.87
Housing Rehab Principal Received	37,034.68
Down Payment Assistance (DPA) Principal Received	19,090.00
New Construction Principal Received	-
Business Loan Disbursements	185,000.00
Housing Rehab Loan Disbursements	-
Direct Home Buyer Assistance Loan Disbursements	-
New Construction Loan Disbursement	-

Housing Rehab Loan Payoffs:

#100208, \$8,699.70

#101115, \$23,587.66

Direct Home Buyer Assistance Loan Payoffs:

#03439, \$18,800.00

Business Loan Disbursements:

#62001, Home Town Grocery, Inc., Crofton, \$185,000

NED, Inc. Reuse Funds Available for Lending:

Owner-Occupied Rehabilitation (HOME & Trust): \$952,008

Direct Home Buyer Assistance (HOME & Trust): \$33,306

Business Revolving Loan Funds (All Sources): \$1,742,685

Motion: Consideration for acceptance of the September 2019 Treasurer's Report

Jim McCarville_____ John Lohr_____ Brad Albers_____ Mike Frank_____
Jerry Engdahl_____ Shannon Stuchlik_____ Megan Weaver_____
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

V. Treasurer's Report A.

NED, Inc.
Statement of Financial Position - Unposted Transactions Included In Report
As of 09/30/2019

	<u>Current Period Balance</u>
Assets	
General Cash	
Cash in Bank-BF #1695334	1,547.27
Business RLF Cash	
IRP Loan Fund-BankFirst 7884171	119,682.65
RLF-BankFirst 7884203	31,093.13
IRP Loan Loss Reserve-BankFirst 7884195	15,833.98
RBEG Loans-BankFirst 7884203	83,881.99
NDO Loan Fund-Security Bank 229970	707.41
RMAP Loan Fund-BankFirst #7898549	6,853.03
#88841889-Midwest Bank-NEF Loan Loss Reserve	12,605.14
IRP #2 Loan Fund-Bank First #7898560	218,587.96
RMAP LLR Fund-BankFirst #8571	17,165.50
NDO Loan Fund-Security Bank 833851	102,642.18
NE Micro Loan-BankFirst #7911287	247,901.99
BF NDO Defederalized	968,485.20
#7911287 - NE Micro Loan #2	28,516.25
NED, Inc. Micro Funds #3 - 2018 Grant BF#7911287	37,683.60
#7884195 - IRP #2 Loan Loss Reserve	36,046.60
Housing Cash	
Trust DPA - EVB 3035418	382.42
HOME Rehab-BankFirst 7858547	354,915.21
Trust Rehab CD #882516-Midwest Bank	108,389.58
Trust Rehab Pinnacle 4400292230	130,104.35
HOME DPA - EVBT 3067890	32,924.30
HOME Rehab Pinnacle 4400292249	116,557.62
Trust Rehab BF 7930372	130,485.38
HUD/NENEDD Rehab BankFirst 7930383	111,556.16
Business RLF Notes Receivable	
Business RLF Notes Receivable	69,876.27
Business IRP Notes Receivable	160,229.10
IRP #2 Notes Receivable	552,497.08
NDO Business Notes Receivables	2,799,327.07
RMAP Business Notes Receivable	326,463.28
NE Micro Loan Receivable	427,440.46
Housing Notes Receivable	
DPA Notes Receivable	2,196,359.03
Regional Rehab Notes Receivable	1,073,980.63
Fixed Assets	
Furniture and Equipment	2,250.00
Accumulated Depreciation	(2,250.00)
Allowance for Uncollectibles	
Allowance for uncollectable losses	(3,131,144.23)
Total Assets	7,389,577.59
Liabilities	
Accounts Payable	
Accounts Payable	25,338.55
Notes Payable	
RMAP Loan Payable	340,540.89
NEF Loan Payable	52,787.02
IRP Loan Payable	182,778.13
IRP #2 Loan Payable	624,013.65
Total Liabilities	1,225,458.24

NED, Inc.
Statement of Financial Position - Unposted Transactions Included In Report
As of 09/30/2019

	<u>Current Period Balance</u>
Net Assets	
Other	<u>6,164,119.35</u>
Total Net Assets	<u>6,164,119.35</u>
Total Net Assets and Liabilities	<u><u>7,389,577.59</u></u>

NED, Inc.

**Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 09/01/2019 Through 09/30/2019**

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget - Original	Current Year Actual	Total Budget Variance	Percent Total Budget Remaining
Revenues							
405	3,916.67	18,800.00	14,883.33	47,000.00	24,200.00	(22,800.00)	(48.51)%
428	79.67	0.00	(79.67)	956.00	478.00	(478.00)	(50.00)%
439	20,833.33	185,000.00	164,166.67	250,000.00	185,000.00	(65,000.00)	(26.00)%
442	2,345.83	0.00	(2,345.83)	28,150.00	0.00	(28,150.00)	(100.00)%
443	2,250.00	0.00	(2,250.00)	27,000.00	5,526.83	(21,473.17)	(79.53)%
444	250.00	250.00	0.00	3,000.00	500.00	(2,500.00)	(83.33)%
451	10,833.33	14,142.36	3,309.03	130,000.00	40,157.43	(89,842.57)	(69.11)%
452	116.66	55.57	(61.09)	1,400.00	244.44	(1,155.56)	(82.54)%
453	500.00	0.00	(500.00)	6,000.00	2,000.00	(4,000.00)	(66.67)%
454	1,000.00	1,513.98	513.98	12,000.00	2,278.75	(9,721.25)	(81.01)%
471	666.66	613.54	(53.12)	8,000.00	1,736.66	(6,263.34)	(78.29)%
490	2,916.66	3,250.07	333.41	35,000.00	9,641.11	(25,358.89)	(72.45)%
Total Revenues	45,708.81	223,625.52	177,916.71	548,506.00	271,763.22	(276,742.78)	(50.45)%
Expenditures							
523	16.66	0.00	16.66	200.00	0.00	200.00	100.00%
543	8.33	10.00	(1.67)	100.00	65.00	35.00	35.00%
548	8.33	0.00	8.33	100.00	0.00	100.00	100.00%
560	100.00	0.00	100.00	1,200.00	0.00	1,200.00	100.00%
561	572.08	0.00	572.08	6,865.00	0.00	6,865.00	100.00%
573	1,308.33	506.69	801.64	15,700.00	2,076.75	13,623.25	86.77%
574	16,666.66	17,035.21	(368.55)	200,000.00	57,150.39	142,849.61	71.42%
580	12,083.33	0.00	12,083.33	145,000.00	0.00	145,000.00	100.00%
584	2,258.33	2,458.43	(200.10)	27,100.00	7,374.49	19,725.51	72.79%
589	124.00	0.00	124.00	1,488.00	1,488.11	(0.11)	(0.01)%
Total Expenditures	33,146.05	20,010.33	13,135.72	397,753.00	68,154.74	329,598.26	82.87%
Total Revenues Over (Under) Expenditures	12,562.76	203,615.19	191,052.43	150,753.00	203,608.48	52,855.48	35.06%

Northeast Economic Development, Inc.
 Statements of Functional Expenses
 July - September 2019

	Program Services			Supporting Activities	
	Housing Loan Services	Business Loan Services	Program Subtotal	Management & General	Total Expenses
Grant Administration	\$ -	\$ -	\$ -		\$ -
Grant Contribution	-	-	-		\$ -
Services and Professional Fees	27,534	19,020	46,555	17,055	\$ 63,610
Interest Expense		1,570	1,570		\$ 1,570
	<u>\$ 27,534</u>	<u>\$ 20,590</u>	<u>\$ 48,125</u>	<u>\$ 17,055</u>	<u>\$ 65,180</u>

NED, Inc. Board Agenda

Object: Quarterly Loan Review

Contact Person: Kristen Rosner, Fiscal Officer/Jeff Christensen, Business Loan Specialist

For: Discussion

Background: Following are the loan receivables for all NED, Inc. funding sources on the loans that have been closed.

Northeast Economic Development, Inc.
Loan Aging Report

Loan Num	Loan Amt	Balance	Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days	Notes
0002	196,942.00	196,942.00	39,388.40	0.00	0.00	0.00	0.00	0.00	0	
01101	18,720.00	18,720.00	312.00	0.00	0.00	0.00	0.00	0.00	0	
01122	13,925.00	13,925.00	232.08	0.00	0.00	0.00	0.00	0.00	0	
01126	12,200.00	12,200.00	203.33	0.00	0.00	0.00	0.00	0.00	0	
01132	12,100.00	12,100.00	201.67	0.00	0.00	0.00	0.00	0.00	0	
01146	12,856.00	12,856.00	214.27	0.00	0.00	0.00	0.00	0.00	0	
01150	8,247.00	8,247.00	137.45	0.00	0.00	0.00	0.00	0.00	0	
01157	7,000.00	1,349.93	116.67	0.00	0.00	0.00	0.00	0.00	0	
01166	20,000.00	20,000.00	333.33	0.00	0.00	0.00	0.00	0.00	0	
01176	8,900.00	8,900.00	148.33	0.00	0.00	0.00	0.00	0.00	0	
01200	5,400.00	5,220.00	90.00	0.00	0.00	0.00	0.00	0.00	0	
01209	11,400.00	11,400.00	190.00	0.00	0.00	0.00	0.00	0.00	0	
01213	18,780.00	18,780.00	313.00	0.00	0.00	0.00	0.00	0.00	0	
03414	17,600.00	17,600.00	293.33	0.00	0.00	0.00	0.00	0.00	0	
03418	17,900.00	17,900.00	298.33	0.00	0.00	0.00	0.00	0.00	0	
03436	20,000.00	20,000.00	333.33	0.00	0.00	0.00	0.00	0.00	0	
03451	17,800.00	17,800.00	296.67	0.00	0.00	0.00	0.00	0.00	0	
4225	15,243.50	998.19	101.64	0.00	0.00	0.00	0.00	0.00	0	
4508	19,659.96	8,099.35	99.46	0.00	0.00	0.00	0.00	0.00	0	
4512	8,061.23	1,155.69	48.24	0.00	0.00	0.00	0.00	0.00	0	
4514	12,340.79	5,724.74	56.75	56.75	56.75	56.75	113.50	283.75	143	No recent issues but has had several NSF's in the past
4515	7,904.92	3,128.94	36.35	0.00	0.00	0.00	0.00	0.00	0	
4516	12,095.00	4,785.40	55.63	0.00	0.00	0.00	0.00	0.00	0	
4517	20,000.00	8,504.14	101.18	0.00	0.00	0.00	0.00	0.00	0	
04707	20,000.00	20,000.00	333.33	0.00	0.00	0.00	0.00	0.00	0	
04713	8,800.00	8,800.00	146.67	0.00	0.00	0.00	0.00	0.00	0	
04714	20,000.00	20,000.00	333.33	0.00	0.00	0.00	0.00	0.00	0	
04715	18,600.00	18,600.00	310.00	0.00	0.00	0.00	0.00	0.00	0	
04716	9,500.00	9,500.00	158.33	0.00	0.00	0.00	0.00	0.00	0	
04718	7,900.00	7,900.00	131.67	0.00	0.00	0.00	0.00	0.00	0	
05401	24,910.03	10,993.91	150.00	0.00	0.00	0.00	0.00	0.00	0	
05550	10,000.00	5,447.02	50.59	0.00	0.00	0.00	0.00	0.00	0	
06106	19,320.00	19,320.00	322.00	0.00	0.00	0.00	0.00	0.00	0	
06107	11,100.00	11,100.00	185.00	0.00	0.00	0.00	0.00	0.00	0	
06112	7,300.00	7,300.00	121.67	0.00	0.00	0.00	0.00	0.00	0	
06130	13,980.00	13,980.00	233.00	0.00	0.00	0.00	0.00	0.00	0	
06139	14,300.00	14,300.00	238.33	0.00	0.00	0.00	0.00	0.00	0	
06145	10,400.00	10,400.00	173.33	0.00	0.00	0.00	0.00	0.00	0	
06161	10,200.00	10,200.00	170.00	0.00	0.00	0.00	0.00	0.00	0	

Northeast Economic Development, Inc.
Loan Aging Report

Loan Num	Loan Amt	Balance	Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days	Notes
06162	14,500.00	14,500.00	241.67	0.00	0.00	0.00	0.00	0.00	0	
06167	18,000.00	18,000.00	300.00	0.00	0.00	0.00	0.00	0.00	0	
07217	17,000.00	17,000.00	283.33	0.00	0.00	0.00	0.00	0.00	0	
07218	20,000.00	20,000.00	333.33	0.00	0.00	0.00	0.00	0.00	0	
07220	15,000.00	15,000.00	250.00	0.00	0.00	0.00	0.00	0.00	0	
07222	8,800.00	8,800.00	146.67	0.00	0.00	0.00	0.00	0.00	0	
07231	15,960.00	15,960.00	266.00	0.00	0.00	0.00	0.00	0.00	0	
07233	7,800.00	7,800.00	130.00	0.00	0.00	0.00	0.00	0.00	0	
07241	18,000.00	18,000.00	300.00	0.00	0.00	0.00	0.00	0.00	0	
07507	24,994.94	11,872.04	104.15	0.00	0.00	0.00	0.00	0.00	0	
100016	35,000.00	22,464.56	160.96	0.00	0.00	0.00	0.00	0.00	0	
100018	27,500.00	19,548.95	139.12	0.00	0.00	0.00	0.00	0.00	0	
100026	4,929.34	3,196.05	22.67	0.00	0.00	0.00	0.00	0.00	0	
100032	37,500.00	23,535.57	172.46	0.00	0.00	0.00	0.00	0.00	0	
100042	30,000.00	19,095.57	137.96	0.00	0.00	0.00	0.00	0.00	0	
100053	35,000.00	6,999.68	291.67	0.00	0.00	0.00	0.00	0.00	0	
100054	20,000.00	12,416.97	83.33	0.00	0.00	0.00	0.00	0.00	0	
100069	26,775.05	15,730.61	111.56	0.00	0.00	0.00	0.00	0.00	0	
100081	15,720.00	3,537.00	131.00	0.00	0.00	0.00	0.00	0.00	0	
100097	35,000.00	22,413.33	160.96	0.00	0.00	0.00	0.00	0.00	0	
100117	27,816.15	17,047.90	127.92	0.00	0.00	0.00	0.00	0.00	0	
100131	30,000.00	18,940.00	125.00	125.00	125.00	125.00	125.00	500.00	113	No recent issues but has had several NSF's in the past. Paying extra each month.
100136	20,798.00	13,040.41	105.21	0.00	0.00	0.00	0.00	0.00	0	
100158	23,908.96	15,732.32	109.96	0.00	0.00	0.00	0.00	0.00	0	
100173	38,500.00	23,421.46	160.41	0.00	0.00	0.00	0.00	0.00	0	
100200	10,457.02	6,951.07	52.90	0.00	0.00	0.00	0.00	0.00	0	
100211	25,000.00	16,815.03	126.47	0.00	0.00	0.00	0.00	0.00	0	
100221	12,000.00	12,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100239	17,000.00	17,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100259	27,500.00	16,486.10	126.47	0.00	0.00	0.00	0.00	0.00	0	
100372	23,000.00	23,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100454	12,400.00	12,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100463	23,000.00	23,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100492	18,160.87	13,545.00	75.67	0.00	0.00	0.00	0.00	0.00	0	
100570	37,500.00	28,123.75	156.25	0.00	0.00	0.00	0.00	0.00	0	
100585	31,413.95	26,355.09	158.92	0.00	0.00	0.00	0.00	0.00	0	
100603	16,400.51	10,774.17	82.97	0.00	0.00	0.00	0.00	0.00	0	

Northeast Economic Development, Inc.
Loan Aging Report

Loan Num	Loan Amt	Balance	Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days	Notes
100609	36,718.98	22,226.78	305.99	0.00	0.00	0.00	0.00	0.00	0	
100637	21,577.00	13,216.30	89.90	0.00	0.00	0.00	0.00	0.00	0	
100638	19,402.00	14,850.21	89.23	0.00	0.00	0.00	0.00	0.00	0	
100676	29,797.85	6,704.09	248.32	0.00	0.00	0.00	0.00	0.00	0	
100677	14,835.00	3,334.41	123.63	0.00	0.00	0.00	0.00	0.00	0	
100714	24,000.00	24,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100716	40,000.00	19,333.54	333.33	0.00	0.00	0.00	0.00	0.00	0	
100734	15,000.00	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100739	75,000.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100755	24,000.00	24,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100756	19,000.00	19,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100758	65,890.00	65,890.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100769	75,000.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100783	75,000.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100791	7,995.00	2,264.82	66.63	0.00	0.00	0.00	0.00	0.00	0	
100802	19,400.00	19,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100803	16,660.00	16,660.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100813	9,999.94	8,666.50	41.67	0.00	0.00	0.00	0.00	0.00	0	
100817	75,000.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100846	16,680.00	16,680.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100849	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100891	35,000.00	25,521.05	145.83	0.00	0.00	0.00	0.00	0.00	0	
100900	21,351.10	21,351.10	0.00	0.00	0.00	0.00	0.00	0.00	0	
100904	14,683.61	6,240.77	122.36	122.36	122.36	122.36	367.08	734.16	174	Forgivable loan that will be paid back on proceeds on house.
100917	29,738.02	24,038.16	123.91	0.00	0.00	0.00	0.00	0.00	0	
100934	12,700.00	12,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100942	14,497.00	10,213.60	60.40	0.00	0.00	0.00	0.00	0.00	0	
100949	29,008.67	24,690.35	146.75	0.00	0.00	0.00	0.00	0.00	0	
100952	32,464.49	24,160.80	164.23	0.00	0.00	0.00	0.00	0.00	0	
100964	24,000.00	24,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100973	24,649.00	22,969.91	113.36	113.36	113.36	113.36	1,020.24	1,360.32	355	No recent issues but has had several NSF's in the past
100978	75,000.00	75,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
100985	13,500.00	10,049.53	62.09	0.00	0.00	0.00	0.00	0.00	0	
101013	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101034	1,989.56	1,782.31	8.29	0.00	0.00	0.00	0.00	0.00	0	
101067	6,000.00	2,850.00	50.00	0.00	0.00	0.00	0.00	0.00	0	
101075	18,000.00	13,340.96	82.78	0.00	0.00	0.00	0.00	0.00	0	

Northeast Economic Development, Inc.
Loan Aging Report

Loan Num	Loan Amt	Balance	Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days	Notes
101081	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101090	23,000.00	23,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101146	29,990.00	29,990.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101172	9,072.33	8,137.33	37.80	0.00	0.00	0.00	0.00	0.00	0	
101221	10,000.00	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101223	17,000.00	17,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101259	25,000.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101265	9,000.00	9,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101311	25,000.00	22,837.30	0.00	0.00	0.00	0.00	0.00	0.00	0	
101318	25,780.00	25,780.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101331	19,600.00	19,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101332	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101333	17,880.00	17,880.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101338	26,600.00	26,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101339	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101352	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101354	25,800.00	25,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101363	30,000.00	30,000.00	375.00	0.00	0.00	0.00	0.00	0.00	0	
101367	25,000.00	24,166.68	208.33	0.00	0.00	0.00	0.00	0.00	0	
101372	25,000.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101377	22,800.00	22,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101380	24,400.00	24,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101384	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101385	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101386	13,100.00	13,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101400	14,400.00	14,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101408	8,700.00	8,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101426	28,780.00	28,780.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101430	26,300.00	26,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101446	24,094.60	23,291.44	200.79	0.00	0.00	0.00	0.00	0.00	0	
101459	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101464	11,542.12	11,494.03	48.09	0.00	0.00	0.00	0.00	0.00	0	
101470	26,000.00	26,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101471	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101476	28,000.00	28,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101477	10,500.00	10,390.44	48.29	0.00	0.00	0.00	0.00	0.00	0	
101485	15,000.00	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101490	25,000.00	24,963.04	104.17	0.00	0.00	0.00	0.00	0.00	0	
101501	29,000.00	29,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101521	27,000.00	27,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	

Northeast Economic Development, Inc.
Loan Aging Report

Loan Num	Loan Amt	Balance	Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days	Notes
101545	29,200.00	29,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101554	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
101558	30,000.00	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0	
318002	50,000.00	49,998.83	343.94	0.00	0.00	0.00	0.00	0.00	0	
319002	250,000.00	247,510.22	1,514.95	0.00	0.00	0.00	0.00	0.00	0	
400601	20,000.00	7,833.82	83.33	0.00	0.00	0.00	0.00	0.00	0	
400603	20,000.00	8,507.50	91.98	0.00	0.00	0.00	0.00	0.00	0	
400605	4,440.00	2,127.50	18.50	0.00	0.00	0.00	0.00	0.00	0	
400611	11,266.97	2,924.53	67.43	0.00	0.00	0.00	0.00	0.00	0	
400616	20,000.00	8,417.13	83.33	0.00	0.00	0.00	0.00	0.00	0	
400709	18,759.81	8,363.20	78.17	0.00	0.00	0.00	0.00	0.00	0	
406008	23,543.75	12,056.77	119.10	0.00	0.00	0.00	0.00	0.00	0	
406016	20,000.00	8,167.14	83.33	0.00	0.00	0.00	0.00	0.00	0	
406021	17,756.36	9,120.30	89.83	0.00	0.00	0.00	0.00	0.00	0	
406025	15,939.50	4,145.91	95.40	0.00	0.00	0.00	0.00	0.00	0	
609003	93,350.00	24,893.48	518.61	0.00	0.00	0.00	0.00	0.00	0	
611005	60,000.00	27,476.35	506.31	0.00	0.00	0.00	0.00	0.00	0	
612003	100,000.00	63,520.80	843.86	0.00	0.00	0.00	0.00	0.00	0	
612006	17,000.00	4,357.92	184.49	0.00	0.00	0.00	0.00	0.00	0	
612011	40,000.00	24,563.44	337.54	0.00	0.00	0.00	0.00	0.00	0	
612019	40,000.00	25,861.58	337.54	337.54	0.00	0.00	0.00	337.54	21	NSF October payment
612021	100,000.00	30,681.80	1,085.26	0.00	0.00	0.00	0.00	0.00	0	
613002	20,000.00	1,535.27	287.40	0.00	0.00	0.00	0.00	0.00	0	
613004	30,000.00	20,253.31	253.16	0.00	0.00	0.00	0.00	0.00	0	
613007	32,000.00	8,022.71	459.84	0.00	0.00	0.00	0.00	0.00	0	
614001	60,000.00	27,790.94	621.83	0.00	0.00	0.00	0.00	0.00	0	
614004	40,000.00	19,906.91	325.00	0.00	0.00	0.00	0.00	0.00	0	
614005	40,000.00	7,281.28	556.01	0.00	0.00	0.00	0.00	0.00	0	
614007	60,000.00	36,782.48	554.93	0.00	0.00	0.00	0.00	0.00	0	
614008	40,000.00	19,943.72	414.55	0.00	0.00	0.00	0.00	0.00	0	
614009	250,000.00	138,450.00	2,080.00	0.00	0.00	0.00	0.00	0.00	0	
614010	60,000.00	25,942.40	621.83	0.00	0.00	0.00	0.00	0.00	0	
614011	450,000.00	293,907.22	4,663.73	0.00	0.00	0.00	0.00	0.00	0	
615001	121,525.00	96,841.32	643.96	0.00	0.00	0.00	0.00	0.00	0	
615002	105,000.00	80,903.54	830.33	0.00	0.00	0.00	0.00	0.00	0	
615004	100,000.00	70,437.54	1,000.00	0.00	0.00	0.00	0.00	0.00	0	
615005	225,000.00	141,427.72	2,331.86	0.00	0.00	0.00	0.00	0.00	0	
615007	40,000.00	30,911.23	316.32	0.00	0.00	0.00	0.00	0.00	0	
615008	200,000.00	54,268.81	3,418.75	0.00	0.00	0.00	0.00	0.00	0	
615009	55,000.00	9,718.63	570.01	0.00	0.00	0.00	0.00	0.00	0	

Northeast Economic Development, Inc.
Loan Aging Report

Loan Num	Loan Amt	Balance	Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days	Notes
615010	140,000.00	121,960.00	963.04	0.00	0.00	0.00	0.00	0.00	0	
616002	115,000.00	88,432.06	766.81	0.00	0.00	0.00	0.00	0.00	0	
616003	70,000.00	64,527.77	481.52	0.00	0.00	0.00	0.00	0.00	0	
616004	50,000.00	34,889.46	477.06	0.00	0.00	0.00	0.00	0.00	0	
616005	42,000.00	37,604.50	288.91	0.00	0.00	0.00	0.00	0.00	0	
616006	20,000.00	13,979.43	207.28	0.00	0.00	0.00	0.00	0.00	0	
616007	300,000.00	263,653.13	1,897.95	0.00	0.00	0.00	0.00	0.00	0	
616009	180,000.00	166,854.66	1,238.20	0.00	0.00	0.00	0.00	0.00	0	
616011	35,000.00	25,951.41	362.73	0.00	0.00	0.00	0.00	0.00	0	
616012	200,000.00	185,394.34	1,375.77	0.00	0.00	0.00	0.00	0.00	0	
617001	70,000.00	64,041.75	424.19	0.00	0.00	0.00	0.00	0.00	0	
617002	85,000.00	75,117.88	672.17	0.00	0.00	0.00	0.00	0.00	0	
617003	200,000.00	192,219.51	1,211.96	0.00	0.00	0.00	0.00	0.00	0	
617005	200,000.00	189,826.57	8,306.30	8,306.30	0.00	0.00	0.00	8,306.30	21	Late on October payment
617006	63,200.00	60,395.01	434.74	0.00	0.00	0.00	0.00	0.00	0	
617007	70,000.00	56,659.12	725.47	0.00	0.00	0.00	0.00	0.00	0	
618001	16,000.00	5,141.27	472.38	0.00	0.00	0.00	0.00	0.00	0	
618002	250,000.00	116,472.96	1,250.00	0.00	0.00	0.00	0.00	0.00	0	
618003	40,000.00	36,370.02	316.32	0.00	0.00	0.00	0.00	0.00	0	
618004	35,000.00	30,469.23	362.73	0.00	0.00	0.00	0.00	0.00	0	
618005	40,000.00	38,641.04	184.35	0.00	0.00	0.00	0.00	0.00	0	
618006	50,000.00	48,218.12	343.94	0.00	0.00	0.00	0.00	0.00	0	
618007	22,000.00	19,525.78	228.00	0.00	0.00	0.00	0.00	0.00	0	
619002	50,000.00	47,782.31	395.40	0.00	0.00	0.00	0.00	0.00	0	
619003	40,000.00	39,066.43	316.32	0.00	0.00	0.00	0.00	0.00	0	
619004	27,000.00	26,035.48	213.51	0.00	0.00	0.00	0.00	0.00	0	
619006	20,000.00	19,386.76	158.16	0.00	0.00	0.00	0.00	0.00	0	
619009	13,850.00	13,388.34	230.83	0.00	0.00	0.00	0.00	0.00	0	
619010	80,298.03	80,084.02	634.99	0.00	0.00	0.00	0.00	0.00	0	
619011	28,530.00	28,054.50	158.50	0.00	0.00	0.00	0.00	0.00	0	
620001	185,000.00	185,000.00	1,368.42	0.00	0.00	0.00	0.00	0.00	0	
620003	202,250.00	202,250.00	3,370.83	0.00	0.00	0.00	0.00	0.00	0	
620005	57,021.54	57,021.54	563.86	0.00	0.00	0.00	0.00	0.00	0	
61700201	90,000.00	77,594.61	610.76	0.00	0.00	0.00	0.00	0.00	0	
61700301	275,000.00	267,361.10	1,527.78	0.00	0.00	0.00	0.00	0.00	0	
Totals	9,847,527.45	7,801,648.75	144,208.44	9,061.31	417.47	417.47	1,625.82	11,522.07		
Number of loans		228								
Delinquency Rate		0.15%								

NED, Inc. Board Agenda

Object: Reaffirm accepting \$50,000 Community Development Block Grant (CDBG) funds from the Village of Thurston for a loan to Midplains Crane Works, LLC and approve a loan up to \$200,000 for Midplains Crane Works, LLC, - Bancroft - Adam Rief and Jon Toft, Members

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

In August 2019, the Northeast RLF Committee recommended and the NED, Inc. board of directors approved a \$200,000 loan to Midplains Crane Works, LLC (MPCW) pending the purchase of the assets of Ivan's Welding (equipment/inventory; no real estate) in rural Cuming county and move everything to their location at 2410 Hwy 51 in Bancroft; home of Triple C Manufacturing. The main piece of equipment was a crane used to construct various items, more specifically grain handling equipment. Unfortunately, during the time before the purchase was completed, the crane was damaged and will not pass inspection. So, the purchase of Ivan's will not take place. However, Adam & Jon have negotiated the purchase of some assets of Anderson and Son's, Inc. of Oakland, including a crane. Anderson and Sons, Inc. has three different business models within their company; building construction, crane operations, and a lumber yard in downtown Oakland. The purchase will be the crane works operations.

Included in August's summary - Background: 12 years ago, Adam had a lot of ideas about how to make farm equipment better. Still a sophomore at the University of Nebraska, he started Rief Design & Manufacturing out of a building on his family's farm south of Bancroft. Two years later, with a mechanized systems degree in hand, Adam returned home to grow his business. In 2010, he built a 60' x 80' building on their family farm with the help of his local bank and a \$35,000 NENEDD loan. In 2014 he added 80' x 80' to his building, this time with bank financing and a \$141,000 NENEDD loan. Both loans have been paid as promised.

Approximately one year ago, Adam and his business partner, Jon Toft, purchased Triple C Manufacturing in Bancroft. The facility gave Rief Design a larger manufacturing area and more equipment to work with than what it had at the farm. Adam heads up Rief Design & Manufacturing, and Jon handles Triple C, which primarily deals with the sale and installation of Chief grain bins and the various grain handling equipment that goes with it: augers, legs, conveyors, electric motors, etc. They install everything they sell and are one of only a few companies that installs what they sell; a start to finish operation. All business entities operate under Cuming County Industries LLC which includes Adam, Jon and Adam's father, Steve.

As mentioned previously, in addition to various pieces of equipment included in the purchase, the crane will be used for installation of grain elevator legs, but also has the potential to do other work such as installation of electrical wires, other electrical power equipment, and electrical wind turbines that are being built in Nebraska and western Iowa. With the purchase of Anderson & Sons, Inc. crane works operation, MPCW will continue to service all Anderson & Son's customers as well as Triple C customers throughout northeast Nebraska and western Iowa and provide crane services to install grain legs and dryers supplementing the grain bin services provided by Triple C. Most customers are buying commercial sized bins that involve erecting a grain leg and bin at the same time. MPCW, in coordination with Triple C, will provide customers optimal services and competitive pricing not currently found in the area. Triple C sells and installs numerous grain bins and MPCW will primarily work with Triple C to install grain legs and dryers when required on projects. This is a huge selling point to assure customers the whole project will be serviced by the same companies erecting the bins and providing millwright services. Customers get

uneasy about any company servicing something it didn't install, especially when repairs are needed in the heat of the season.

Triple C tentatively has \$2,900,000 in products in the quoting process for year 2020 for sales that all require a crane for the entire project of install. These projects include two brand new complete grain facilities and one site to add product. They have a few existing grain facilities that are booked for numerous repairs requiring a crane that can be completed in the off season. This does not include what Anderson & Sons has on the books for 2020 sales or repairs at this time. Without MPCW's services at the ready, Triple C will miss out on large sales involving grain legs. They already missed out on a project for a customer that would have been a \$745,000 sale this summer because they couldn't find a company to install the grain legs and spouts with a crane.

Total project costs are estimated to be \$971,000 to purchase the equipment, inventory, and goodwill. Charter West Bank, Adam and Jon are requesting that the Village of Thurston reaffirm a loan in the amount of \$50,000 and NED, Inc. loan of \$150,000 (total \$200,000) towards the project. Charter West Bank will provide a 10-year loan of up to \$358,500 and a \$250,000 line of credit. Through negotiations with Anderson and Sons, Adam & Jon have purchased the business with an equity balance of approximately \$162,500. The project will maintain the 5 jobs at Anderson and Sons and create an additional 2 for a total of 7. One of the new jobs will be the former manager of Ivan's Welding.

Explanation:

Source	Bank	NED, Inc.	Thurston RLF	Equity	Total
Equipment	\$358,500	\$136,500	-0-	\$162,500	\$657,500
Goodwill/Inventory	-0-	\$13,500	\$50,000	-0-	\$63,500
Line of Credit	\$250,000	-0-	-0-	-0-	\$250,000
Total	\$608,500	\$150,000	\$50,000	\$162,500	\$971,000

Charter West Bank in Walthill has approved a loan and a line of credit for this project. The loan not to exceed \$358,500, will be set up as a regular commercial loan fully amortized over a 10 year term at an interest rate of 5.59% (variable). A \$250,000 line of credit will be set up with a variable initial interest rate at 5.60% with quarterly interest payments and a one year annual renewal. In addition to the commercial security agreement for the equipment and inventory purchased from Anderson and Sons, Inc., the bank will require personal guarantees from Adam and Jon and a Company Guaranty from Cuming County Industries, LLC.

As originally planned, NED, Inc. will lend \$150,000 and the Village of Thurston will lend \$50,000 for this project for the purchase of the business personal property assets; equipment/inventory. The Thurston funds will be sub-granted to NED, Inc., as a Non-profit Development Organization (NDO), who will in turn lend the \$50,000 to MPCW for this project. Payments will be made to NED, Inc., thus resulting in a \$200,000 loan with NED, Inc. This is the process approved by the Nebraska Department of Economic Development (DED) to de-federalize CDBG funds in our local communities. The \$200,000 NED, Inc. loan will have a term of 10 years at an interest rate of 4.50% (fixed). In the event Thurston would not approve the change in collateral of the \$50,000 portion of the funding, it is planned that NED, Inc. will provide the entire \$200,000 loan at 4.50% for 10 years. NED, Inc. will file a UCC lien on the business personal property subordinate to the bank. NED, Inc. will require life insurance assignment from Adam and Jon each for the amount of the loan for the life of the loan. NED, Inc. will also require a company guaranty from the parent company, Cuming County Industries, LLC.

The Northeast Revolving Loan Fund (RLF) committee was presented information on credit scores, net worth, collateral, and financial information as part of the loan summary and recommends this loan for approval.

Motion: Consideration to reaffirm the acceptance of the sub-granted \$50,000 CDBG funds from Village of Thurston utilizing the Non-Profit Development Organization (NDO) process and approve a loan up to \$200,000 for Midplains Crane Works, LLC.

Jim McCarville_____ John Lohr_____ Brad Albers_____ Mike Frank_____
Jerry Engdahl_____ Shannon Stuchlik_____ Megan Weaver_____
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

NED, Inc. Board Agenda

Object: Approve a \$202,250 Disaster loan to Laura Kruse, d/b/a 3rd Street Bar & Grill - Osmond

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background: 2019 Disaster Relief Funding – in 2008 NED, Inc. rec'd disaster relief funds from USDA for 0.00% loans. Due to the March 2019 flooding in our area, we offer interest free funding for businesses that qualify.

Loan Applicant: Laura Kruse, d/b/a 3rd Street Bar & Grill - Osmond

Laura Kruse is planning to start her own business called 3rd Street Bar & Grill to replace the Tiger Tavern in Osmond. The Tiger Tavern, located at 301 N. State Street in Osmond, and many other businesses sustained damage from the March 2019 flooding and was never reopened. This business was an integral part of the Osmond area. As you can imagine in a community of less than 800, there is a lot of community support for a new restaurant.

Laura had been working at the Tiger Tavern for seven years and started negotiations with the owner to purchase the business in the next 2-3 years. Unfortunately, mother nature changed those plans and Laura's new business venture will start earlier than planned and with an entirely new everything. There are others that will be involved including her mother and father, Jackie and Martin, brothers, and aunt and uncle, Adam and Erika Lewon, all of which are in the construction business in some form or another.

The real estate has been purchased by her aunt and uncle Adam and Erika Lewon, the old building torn down, and will be replaced by a new single-story modern building also owned by Adam and Erika. Laura will own the business itself including the furniture, fixtures, equipment, and inventory. The new business will be more of a restaurant providing the highest quality food and service in a family friendly environment. She will offer a variety of lunch/dinner options like sandwiches, appetizers, soups/salads, dinner meals, and array of beverages.

Total project costs are estimated to be \$626,860 to purchase the real estate, demolition, new building construction, furniture, fixtures, equipment, inventory, and working capital. Security Bank in Osmond and Laura are requesting that NED, Inc. provide a disaster loan in the amount of \$200,000 towards the project plus the 1% (\$2,000) loan application fee and standard \$250 loan closing fee. Security Bank in Osmond has approved a \$220,000 loan, Osmond Home Team will provide \$3,000+ towards demolition, and Laura and her family will provide equity of \$203,860 for the project. Equity includes \$39,860 of sweat equity and \$164,000 cash. The project will create at least six jobs including Laura.

Explanation:

Sources → Uses ↓	Bank	NED, Inc.	Equity	Home Team of Osmond	Total
Land Acquisition & Demolition	-0-	-0-	\$44,000	\$3,000	\$47,000
Building	\$220,000	\$105,800	\$159,860	-0-	\$485,660
Furniture/Fixtures Equipment/Inventory	-0-	\$69,740	-0-	-0-	\$69,740
Working capital	-0-	\$24,460	-0-	-0-	\$24,460
Total	\$220,000	\$200,000	\$203,860	\$3,000	\$626,860

Security Bank in Osmond has approved a loan not to exceed \$220,000. The loan will be set up as a real estate loan fully amortized over a 20 year period at 6.50% (variable). There is the possibility of a USDA Express loan guaranty in which the bank's term may be up to 25 years. In addition to a first deed of trust on the property located at 301 N. State St. in Osmond, they will file a blanket security agreement and UCC on all assets of the business and require personal guaranties from Laura and her parents Martin & Jackie Kruse.

NED, Inc. will lend \$202,250 as disaster funds to construction of a new building and to purchase furniture, fixtures, equipment, inventory, and working capital to start the 3rd Street Bar & Grill. The loan includes the 1% (\$2,000) loan application fee and standard \$250 loan closing fee. The \$202,250 loan will have a term of 20 years at an interest rate of 0.00% (fixed). If the bank would go to a 25 year term, NED, Inc.'s loan would mirror that and have a 25 year term. NED, Inc. will have a subordinate Deed of Trust on the real estate and building being built, and UCC lien on the business personal property of the 3rd Street Bar & Grill. NED, Inc. will also require a life insurance assignment from Laura Kruse for the amount of the loan for the life of the loan. A personal guaranty will also be required from Laura Kruse and her parents Martin & Jackie Kruse. NED, Inc. will also file a deed of trust on Martin & Jackie's personal residence in Osmond.

The Northeast Revolving Loan Fund (RLF) committee was presented information on credit scores, net worth, collateral, and financial information as part of the loan summary and recommends this loan for approval.

Motion: Consideration for approval of a \$202,250 disaster loan to Laura Kruse to start the 3rd Street Bar & Grill in Osmond.

Jim McCarville _____ John Lohr _____ Brad Albers _____ Mike Frank _____
 Jerry Engdahl _____ Shannon Stuchlik _____ Megan Weaver _____
 Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

NED, Inc. Board Agenda

Object: Accept \$13,300 Community Development Block Grant (CDBG) funds from Knox County for a loan to Holecek Law Office, LLC in Creighton.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Samantha Holecek wants to open her own law office in Creighton. She recently graduated from the South Dakota School of Law and was sworn into the practice of law in the state of Nebraska in September 2019. Samantha is requesting \$13,300 from the Knox County RLF to purchase furniture, fixtures, and equipment and working capital to start her business, Holecek Law Office, LLC. It will be located at 714 Main St. in Creighton. The building is owned by the Creighton Development Corporation and features a waiting room in the front and two offices in the back. The building is being offered rent free for one year and then \$250 a month starting in year two. There is parking available in the front for approximately six cars.

Holecek law will offer the following services at competitive prices: Tax Return Preparation, Bookkeeping and Payroll, Estate Planning, Probate Filings, Elder Law, Real Estate Closings, Business & Corporate Filings/Matters, Agricultural Law, and some Civil Litigation

The total project costs are estimated to be \$15,220 for the purchase of furniture fixtures, equipment (FFE), and working capital. There is no bank involved in this project. Samantha is requesting that Knox County provide a loan in the amount of up to \$13,300 to purchase FFE and working capital. Holecek's will provide \$1,920 cash for FFE and fees. At this point Samantha will be the only employee.

Explanation:

Uses ↓	Source →	Knox County RLF	Equity	Total
FFE		\$13,233	\$1,470	\$11,703
Working Capital & Fees		\$3,067	\$450	\$ 3,517
TOTAL		\$13,300	\$1,920	\$15,220

There is no bank involved in this project. Knox County will lend \$13,300 to purchase furniture, fixtures, and equipment. These funds will be sub-granted to NED, Inc., as a Non-profit Development Organization (NDO), who will in turn lend the \$13,300 to Holecek Law Office, LLC. for this project. The \$13,300 NDO loan will have a 10-year term at 3.50% (fixed). Payments will be made to NED, Inc. This is the process approved by the Nebraska Department of Economic Development (DED) to de-federalize CDBG funds in our local communities.

NED, Inc. will secure a financing statement UCC lien on the business assets owned by Samantha Holecek and Holecek Law Office, LLC at 714 Main St.in Creighton, require personal guarantees from Samantha and her husband Jonathon, and will require a life insurance assignment from Samantha Holecek for the amount of the loan for the life of the loan. NED, Inc. will also file a deed of trust on the Holecek's personal residence in Creighton.

The Northeast Revolving Loan Fund (RLF) committee was presented information on credit scores, net worth, collateral, and financial information as part of the loan summary and recommends this loan for approval.

Motion: Consideration to accept the sub-granted \$13,300 CDBG RLF funds from Knox County utilizing the Non-Profit Development Organization (NDO) process for a loan to Holecek Law Office, LLC.

Jim McCarville_____ John Lohr_____ Brad Albers_____ Mike Frank_____
Jerry Engdahl_____ Shannon Stuchlik_____ Megan Weaver_____
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

NED, Inc. Board Agenda

Object: Accept \$145,000 Community Development Block Grant (CDBG) funds from the City of Wayne for a loan to Retail Reclaimers, L.L.C. and approve a \$200,000 NED, Inc. loan to Retail Reclaimers, L.L.C. - Wayne

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background: Retail Reclaimers, LLC of Nebraska is requesting \$145,000 of Wayne’s RLF and \$200,000 of NED, Inc. funds to open an Ace Hardware and Home Store in the former Shopko building located at 615 Dearborn St. in Wayne. Stephen LeGrand (51%) and partners, Mike McManigal (29%), Bradley Woehler (5%), Christopher Woehler (5%), Wesley Blecke (5%), and Geoff Rozovics (5%) are the business professionals behind the LLC. These people are local businessmen in the Wayne area. Some of these investors are also part of the LLC that has purchased the Shopko building and with the intention of leasing it to Ace Hardware and Home Store.

The Shopko building is 27,600 sq ft with 21,000 sq ft of retail space. The Ace store will occupy approximately 17,000 sq. ft. with the remaining salesfloor space dedicated for a home store with categories like apparel, shoes, domestics and health and beauty aids. The Ace will be a full line hardware store with all categories represented (paint, plumbing, electrical, hardware and fasteners, hand and power tools, housewares, lawn and garden, automotive, and sporting goods).

The investment plans to use economic development funds and other capital sources to help fund this project. Steve, Mike and Bradley will be in charge of the day to day operations of the store and plan to hire a key store manager and assistant manager. With the team’s business experience, the store will have very high standards for service and quality. The plan is to have this store open for the 2020 lawn and garden season.

Wayne has a population of 5,660, is the county seat, and home of Wayne State College (WSC). WSC has an enrollment of 2,975 with 44% of students living in college owned or operated housing. This presents two business opportunities in business to business and in a college focused assortment for campus living- license apparel, small appliances, cleaning supplies, etc.

Total project costs are estimated to be \$1,891,000 to purchase the furniture, fixtures, equipment and inventory. State Nebraska Bank & Trust in Wayne and the members of Retail Reclaimers, LLC are requesting that NED, Inc. provide \$200,000 towards the project. State Nebraska Bank & Trust will provide a loan of up to \$400,000, City of Wayne will provide a CDBG loan in the amount of \$145,000 and \$200,000 of LB840 funds, Ace Hardware will provide \$411,000, MUCS (Blair Ace Hardware) will provide \$200,000, and the members of Retail Reclaimers, L.L.C. will provide \$335,000 in cash. It is anticipated the project will create 10 full time equivalent (FTE) jobs.

Explanation:

Source	Bank	Wayne RLF	NED, Inc.	Wayne LB840	ACE Discount	MUCS	Equity	Total
Furniture, Fixtures, Eq.	-0-	-0-	\$128,114	-0-	-0-	-0-	\$145,000	\$273,114
Working Capital	\$400,000	-0-	-0-	-0-	-0-	-0-	-0-	\$400,000
Startup costs/fees	-0-	-0-	-0-	\$125,225	-0-	-0-	\$71,886	\$197,111
Home Store Inventory	-0-	\$145,000	\$71,886	\$74,775	-0-	-0-	\$83,569	\$375,230
Ace Inventory	-0-	-0-	-0-		\$411,000	\$200,000	\$34,545	\$645,545
Total	\$400,000	\$145,000	\$200,000	\$200,000	\$411,000	\$200,000	\$335,000	\$1,891,000

State Nebraska Bank & Trust in Wayne is considering a loan of up to \$400,000 for working capital for this project. It will be set up as a regular real estate commercial loan with a one-year drawdown period, and then fully amortized over a 10-year term at an interest rate of 5.00% fixed. The loan will be interest only for the first 12 months, then amortized with principal and interest payments due monthly once the business is fully operational. The bank will require first position UCC filing on company assets as collateral, along with personal guarantees from all owners/members of the LLC at 125% of the loan pro-rata to their ownership percentage.

The City of Wayne will lend \$145,000 of its CDBG funds for this project. These funds will be sub-granted to NED, Inc., as a Non-profit Development Organization (NDO), who will in turn lend the \$145,000 to Retail Reclaimers, L.L.C. The \$145,000 NDO loan will have a 10-year term at NENEDD staff/Northeast Loan Committee recommendation of 4.50% (fixed). Payments will be made to NED, Inc. This is the process approved by the Nebraska Department of Economic Development (DED) to defederalize CDBG funds in our local communities. NED, Inc. will also lend \$200,000 for this project making a total NED, Inc. loan of \$345,000. The \$200,000 portion will have a 10-year term at NENEDD Staff/Northeast Loan Committee recommendation of 4.50% (fixed). The members of the LLC have requested 0.00% interest at a 15 year term for the entire \$345,000.

Regarding the interest rate & term: NENEDD/NED, Inc. have approved loans to other projects at a lower interest rate. However, these were businesses that met the Nebraska Department of Economic Development's eligibility guidelines related to the Nebraska Advantage tax incentive program such as Research and Development, Scientific Testing, Manufacturing, Production of Electricity Using renewable Energy Sources, Targeted Export Services, (75% of sales outside Nebraska or to the U.S. Government including Cloud Computing), Software Development Services, Computer Systems Design, Product Testing Services, Guidance or Surveillance Systems, Technology Licensing, Distribution, Storage/Warehousing, Transportation Headquarters (Administrative) Data Center, Internet Web Portal, Retail Sales of Tangible Personal Property (TPP) if 20% is at wholesale, manufactured, or to someone else in qualified business, and Retail Sales of TPP if 75% or more of sales are outside of Nebraska. Section 6.0 of NED, Inc.'s RLF guidelines state funds used for furniture, fixtures and equipment have a term up to 10 years.

NED, Inc. will have a blanket UCC lien on company assets subordinate to the bank with the intent of securing a first lien position on the "non-ACE Hardware" inventory. NED, Inc. will require a personal guaranty from all owners/members of the LLC at 125% of the loan pro-rata to their ownership percentage. NED, Inc. will also require life insurance assignments from Steve LeGrand for \$175,000 and Mike McManigal for \$100,000. Other public funds include \$200,000 from the Wayne's LB840 funds with a 15-year term at 0.00% interest.

The Northeast Revolving Loan Fund (RLF) committee was presented information on credit scores, net worth, collateral, and financial information as part of the loan summary and recommends this loan for approval.

Motion: Consideration for approval of accepting \$145,000 City of Wayne CDBG funds for a loan to Retail Reclaimers, L.L.C. utilizing the NDO process and lending \$200,000 of NED, Inc. funds to Retail Reclaimers, L.L.C.

Jim McCarville_____ John Lohr_____ Brad Albers_____ Mike Frank_____
Jerry Engdahl_____ Shannon Stuchlik_____ Megan Weaver_____
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

NED, Inc. Board Agenda

Object: Approve a subordination to Pinnacle Bank related to CK Grill and Bar, LLC expansion.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

The NED, Inc. board recently approved a loan to CK Grill and Bar, LLC in Columbus to purchase equipment as they expanded their business. They have been open since August 1st and business has been great. Unfortunately, in the process of their expansion, the costs in meeting the fire marshal/electric codes exceeded their expectations. They are asking Pinnacle bank to lend an additional \$15,000 provided NED, Inc. subordinates this additional amount.

Explanation:

Pinnacle Bank will lend \$15,000 to help cover the electrical upgrade costs. Pinnacle Bank is asking NED, Inc. to subordinate the additional \$15,000. This request was received after the Northeast Loan Committee met so there is no recommendation from this committee. NENEDD Staff is recommending the approval of the subordination request.

Motion: Consideration for approval of a \$15,000 loan subordination with Pinnacle Bank related to the CK Grill and Bar, LLC expansion.

Jim McCarville_____ John Lohr_____ Brad Albers_____ Mike Frank_____
Jerry Engdahl_____ Shannon Stuchlik_____ Megan Weaver_____
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)