

NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD
BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 29, 2023 - 7:15 P.M.

City of Columbus Community Building
2500 14th Street, Community Room A, Columbus, NE 68601

The Chairman 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 of approval of the November 29, 2023, agenda and October 25, 2023, minutes.
- V. Treasurer's Report**
 - A. Consideration of acceptance of the October 2023 Treasurer's Report as presented.
- VI. Discussion Items**
 - A. NENEDD audit presentation.
- VII. Action Items**
 - A. Consideration to approve the general corporate resolution as presented.
 - B. Consideration for approval of a \$200,000 loan to A Full Plate, LLC in Stanton.
 - C. Consideration for approval of a \$120,000 loan to Summerland Investments, LLC, d/b/a Two Bills Steakhouse in Clearwater.
 - D. Consideration for approval of a \$70,000 loan to TLCCR Esthetics, LLC in Plainview.
 - E. Consideration for approval of a \$100,000 loan to HNH Auto and Tire, LLC in Emerson.
 - F. Consideration for approval of collateral change for J's Place, L.L.C. in Pierce.
- VIII. Executive Session**
- IX. Chairman/Board Comments**
- X. Next Meeting Date:** The Northeast Nebraska Economic Development District Board of Directors meeting will be at 7:15 p.m. on Wednesday, December 20, 2023 or following the Northeast Economic Development, Inc. The meeting will be held via conference call.
- XI. Adjournment**

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

NENEDD Board Agenda

Object: Consideration for approval of the November 29, 2023, agenda and October 25, 2023, meeting minutes.

Contact Person: Mary Fleer, Administrative Assistant

For: Action

Explanation: The November 29, 2023, agenda has been posted on the website. The October 25, 2023, meeting minutes have been posted on the website.

Motion: Consideration for approval of the November 29, 2023, agenda and October 25, 2023, meeting minutes.

Charlie Bahr____ Sally Ganem____ Tina Biteghe Bi Ndong____ Troy Uhler____
Blake Denton____ Loren Kucera____ Meghann Buresh____ Justin Webb____ Benjamin Benton____

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

NENEDD Board Agenda

Object: Acceptance of the October 2023 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background:

Northeast Nebraska Economic Development District's (NENEDD) October 2023 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 (FY) 2024 Budget for the nonaccrual accounts, July 1, 2023, through June 30, 2024, Actual, Budget Variance so far this fiscal year and Percent of the Fiscal Year 2024 Budget remaining.

Explanation:

Additional Information:

Business Loan Principal Received	62,975.45
Business Loan Disbursements	-

Restate Net Income

Year to Date Revenue Over (Under) Expenditures	221,081.52
Year to date Non-Operating Revenue:	
Bad Debt Recovery	-

Year to date Non-Operating Expenditures:

Donations (To Northeast Economic Development, Inc.)	-
Depreciation Expense	2,665.96
Loans Written Off	-
Actual Year to date Revenue Over (Under) Expenditures	<u>223,747.48</u>

Business Loan Payoffs:

Client #311007, Showtime Sales & Marketing, Inc., \$27,529.72

NENEDD Business Revolving Loan Funds Available for Lending (All Sources): \$2,354,863

Motion: Consideration for acceptance of the October 2023 treasurer's report as presented.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall - Unposted Transactions Included In Report
As of 10/31/2023

	<u>Current Period Balance</u>
Assets	
General Cash	
Cash in Bank - Checking	163,433.37
Unrestricted-BankFirst #1648078	318,395.78
Unrestricted-BankFirst #1648166	81,933.22
Business RLF Cash	
EDA RLF-BankFirst #1648089	1,137,597.73
IRP RLF-BankFirst #1648122	502,820.09
HUD Business RLF-BankFirst #1648133	230,520.47
IRP #1 Loan Loss Reserve-BankFirst #1648144	27,740.28
IRP #2 Loan Loss Reserve-BankFirst #1648177	13,251.46
EDA CARES Act RLF - Bankfirst #1755625	483,924.46
Accounts Receivable	
Accounts Receivable	95,324.77
Business RLF Loans Receivables	
EDA RLF Loans Receivable	1,225,439.71
IRP RLF Loans Receivable	871,219.28
HUD RLF Loans Receivable	33,231.74
EDA CARES Act RLF Notes Receivable	1,786,419.52
Prepaid Expenses	
Prepaid Expense	14,604.46
Allowances for Uncollectible Accounts	
Allowance for Uncollectible A/R	(18,778.00)
Allowance for Uncollectible Notes	(516,023.00)
Fixed Assets	
Furniture and Equipment	197,498.30
Accumulated Depreciation	<u>(160,826.43)</u>
Total Assets	<u><u>6,487,727.21</u></u>
Liabilities	
Accounts Payable	
Accounts Payable	5,980.90
Other Payables	
Lease Payable	3,205.73
Payroll Payables	
ADD, Life, Vision, Dental Payable	14.05
Accrued FICA Payable	5,214.20
Federal Tax Withheld	3,111.83
State Tax Withheld	1,613.91
457 Withheld	743.86
Health Insurance Payable	1,261.91
Cafeteria Premium Payable	154.51
Child Support Payable	1,500.00
Annual Leave Payable	13,121.65
HSA Contributions	489.00
Accrued Unemployment	5.40
Accrued Salaries	24,630.88
IRP Loan Payable	
IRP #1 Loan Payable	242,963.67
IRP #2 Loan Payable	<u>238,821.53</u>
Total Liabilities	<u><u>542,833.03</u></u>
Net Assets	

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall - Unposted Transactions Included In Report
As of 10/31/2023

	Current Period Balance
Other	<u>5,944,894.18</u>
Total Net Assets	<u>5,944,894.18</u>
Total Net Assets and Liabilities	<u>6,487,727.21</u>

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 10/01/2023 Through 10/31/2023

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
Revenues								
400	Federal Grants-EDA	5,833.33	0.00	(5,833.33)	70,000.00	17,500.00	(52,500.00)	(75.00)%
405	Dues-Community	13,500.00	0.00	(13,500.00)	162,000.00	174,097.35	12,097.35	7.47%
406	Dues-Counties	1,200.00	0.00	(1,200.00)	14,400.00	14,640.00	240.00	1.67%
407	Dues-Associates	1,121.21	500.00	(621.21)	14,000.00	16,550.00	2,550.00	18.21%
410	State Funding NDED	12,887.25	0.00	(12,887.25)	154,647.00	77,592.00	(77,055.00)	(49.83)%
418	NED, Inc. Management	19,583.33	30,651.04	11,067.71	235,000.00	103,177.16	(131,822.84)	(56.09)%
420	General Administration Fees	18,750.00	20,724.08	1,974.08	225,000.00	53,841.20	(171,158.80)	(76.07)%
425	Lead Based Paint Inspection	1,250.00	0.00	(1,250.00)	15,000.00	1,000.00	(14,000.00)	(93.33)%
430	Housing Management Fees	9,375.00	2,324.50	(7,050.50)	112,500.00	21,502.89	(90,997.11)	(80.89)%
433	Construction Management	5,000.00	1,030.00	(3,970.00)	60,000.00	5,914.38	(54,085.62)	(90.14)%
444	Loan Closing Revenue	104.17	0.00	(104.17)	1,250.00	1,228.00	(22.00)	(1.76)%
445	NPAIT Investment Income	225.00	323.75	98.75	2,700.00	1,245.17	(1,454.83)	(53.88)%
451	Business Loan Interest	13,333.33	14,974.98	1,641.65	160,000.00	54,743.47	(105,256.53)	(65.79)%
452	Loan Late Fees	50.00	0.00	(50.00)	600.00	25.00	(575.00)	(95.83)%
453	Loan Processing Fee	291.67	0.00	(291.67)	3,500.00	3,400.00	(100.00)	(2.86)%
454	Annual Servicing Fees	1,083.33	9.41	(1,073.92)	13,000.00	1,681.38	(11,318.62)	(87.07)%
460	Special Projects	250.00	10,627.45	10,377.45	3,000.00	14,226.20	11,226.20	374.21%
490	Interest Income	2,083.33	3,697.89	1,614.56	25,000.00	13,449.18	(11,550.82)	(46.20)%
491	Miscellaneous Income	0.00	0.00	0.00	0.00	25.00	25.00	0.00%
495	In-Kind Contributions	1,250.00	0.00	(1,250.00)	15,000.00	1,250.00	(13,750.00)	(91.67)%
	Total Revenues	107,170.95	84,863.10	(22,307.85)	1,286,597.00	577,088.38	(709,508.62)	(55.15)%
Expenditures								
500	Salaries and Wages	60,000.00	73,835.97	(13,835.97)	720,000.00	240,616.51	479,383.49	66.58%
505	Fringe Benefits	15,000.00	16,036.93	(1,036.93)	180,000.00	64,365.83	115,634.17	64.24%
520	Rent In-Kind	1,250.00	0.00	1,250.00	15,000.00	1,250.00	13,750.00	91.67%
521	Telephone	666.67	510.63	156.04	8,000.00	1,915.47	6,084.53	76.06%
522	Postage	250.00	0.00	250.00	3,000.00	499.98	2,500.02	83.33%
523	Office Supplies	833.33	584.04	249.29	10,000.00	3,402.16	6,597.84	65.98%
524	Training	666.67	0.00	666.67	8,000.00	270.00	7,730.00	96.63%
526	Travel-Staff	2,500.00	3,076.09	(576.09)	30,000.00	8,278.12	21,721.88	72.41%
530	Printing/Publishing	208.33	2,486.90	(2,278.57)	2,500.00	2,486.90	13.10	0.52%
531	Copier Expense	100.00	279.68	(179.68)	1,200.00	1,073.43	126.57	10.55%
536	Computer Equipment	416.67	830.64	(413.97)	5,000.00	4,192.15	807.85	16.16%
538	Computer/Software Maintenance	1,266.67	1,156.61	110.06	15,200.00	5,307.75	9,892.25	65.08%
539	Lead Testing Expense	1,250.00	0.00	1,250.00	15,000.00	1,000.00	14,000.00	93.33%
548	Loan Closing Expense	104.17	340.75	(236.58)	1,250.00	1,574.50	(324.50)	(25.96)%
550	Building Maintenance	333.33	341.00	(7.67)	4,000.00	1,364.00	2,636.00	65.90%
551	Utilities	600.00	483.43	116.57	7,200.00	2,047.24	5,152.76	71.57%

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 10/01/2023 Through 10/31/2023

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
553	Dues/Memberships	833.33	841.00	(7.67)	10,000.00	3,764.00	6,236.00	62.36%
554	Subscriptions	116.67	0.00	116.67	1,400.00	0.00	1,400.00	100.00%
555	Advertising/Marketing	125.00	1,131.44	(1,006.44)	1,500.00	3,886.60	(2,386.60)	(159.11)%
556	Insurance	500.00	341.58	158.42	6,000.00	2,089.91	3,910.09	65.17%
560	Legal Services	166.67	0.00	166.67	2,000.00	516.45	1,483.55	74.18%
561	Audit Fees	783.33	0.00	783.33	9,400.00	0.00	9,400.00	100.00%
562	Other Professional Services	416.67	449.99	(33.32)	5,000.00	1,445.80	3,554.20	71.08%
565	Depreciation Expense	758.33	666.49	91.84	9,100.00	2,665.96	6,434.04	70.70%
572	USDA Interest Expense	402.67	0.00	402.67	4,832.00	0.00	4,832.00	100.00%
580	Loans Written Off	2,083.33	0.00	2,083.33	25,000.00	0.00	25,000.00	100.00%
590	Bank Fees	20.83	0.00	20.83	250.00	60.00	190.00	76.00%
602	Vehicle Maintenance	625.00	1,094.08	(469.08)	7,500.00	1,934.10	5,565.90	74.21%
	Total Expenditures	<u>92,277.67</u>	<u>104,487.25</u>	<u>(12,209.58)</u>	<u>1,107,332.00</u>	<u>356,006.86</u>	<u>751,325.14</u>	<u>67.85%</u>
	Total Revenues Over (Under) Expenditures	<u>14,893.28</u>	<u>(19,624.15)</u>	<u>(34,517.43)</u>	<u>179,265.00</u>	<u>221,081.52</u>	<u>41,816.52</u>	<u>23.33%</u>

NENEDD Board Agenda

Object: Presentation of Northeast Nebraska Economic Development District Audit

Contact Person: Kristen Rosner, Fiscal Officer

For: Discussion

Background: Board members will be sent the audit report in December. Staff from Herley & Reinke Accounting, P.C. will be presenting the audit. Board members will have a month to review the audit. There will be an agenda item to approve the audit at the next board meeting.

NENEDD Board Agenda

Object: Approval of the General Corporate Resolution

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: This is the general corporate resolution stating who is authorized to sign documents.

Thomas L. Higginbotham, Jr. will resign as executive director on December 15, 2023. Tina M. Engelbart will resign as deputy director on December 1, 2023.

Shannon Stuchlik began employment on October 30, 2023, as the new executive director. Martin Griffith was hired as deputy director on November 21, 2023.

Motion: Consideration to approve the general corporate resolution as presented.

Charlie Bahr____ Sally Ganem____ Tina Biteghe Bi Ndong____ Troy Uhler____
Blake Denton____ Loren Kucera____ Meghann Buresh____ Justin Webb____ Benjamin Benton____

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

VII. Action Items A



NENEDD

Northeast Nebraska Economic Development District

CORPORATE RESOLUTION

WHEREAS, Northeast Nebraska Economic Development District desires to grant signing and authority to certain person(s) described hereunder.

RESOLVED, that the Board of Directors is hereby authorized and approved to grant signing and authority to conduct business to any one of the following person(s):

Charlie Bahr	Chairman
Selma Ganem	Vice Chairman
Troy Uhler	Secretary/Treasurer
Shannon Stuchlik	Executive Director
Martin Griffith	Deputy Director

The foregoing signing and authority granted shall include, but shall not be limited to, the execution of Deeds, powers of attorney, transfers, assignments, contracts, obligations, certificates and other instruments of whatever nature entered into by this Corporation.

The undersigned hereby certifies that they are the duly elected and qualified Secretary and the custodian of the books and records and seal of Northeast Nebraska Economic Development District, a quasi-governmental agency pursuant to the laws of the state of Nebraska and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of the Northeast Nebraska Economic Development District on November 29, 2023, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Secretary and have hereunto affixed the corporate seal of the Northeast Nebraska Economic Development District this 29th day of November 2023.

Secretary/Treasurer



NENEDD Board Agenda

Object: Approve a \$200,000 loan to A Full Plate, LLC in Stanton.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Shannon Hekrdle is planning the expansion of her business, A Full Plate, LLC. (AFP). It is a take and bake kitchen that provides convenient and delicious meals ranging from casseroles, salads, soups, desserts, and healthy entrees in a variety of sizes. She currently operates out of her home and plans to renovate a building in downtown Stanton where she will relocate. The building is the former Uptown Brewery Restaurant at 801 10th Street in Stanton. This is at the intersection of Hwy 57 & 24. They have already purchased the building, have down \$7,700, and completely gutted everything and will basically start from scratch.

There will be a 1,500 sq. ft. commercial kitchen that includes dishwashing, food prep areas, cooking stations, and storage area. There will also be a 420 sq. ft. store front with walk-in access off 10th street where customers can pick up their meals and purchase extras from the takeaway case. In addition to the area primarily used for the kitchen and take-out area, they will also renovate the former bar area into a coffee shop that will serve breakfast and lunch, called A Full Cup. Bathrooms and the kitchen will be shared between the two businesses. The 2nd floor has a separate entrance and will be renovated into a two-bedroom apartment to be rented as a VRBO.

A Full Plate will offer its customers the best tasting meals, snacks, and desserts that can be enjoyed at home or the office. This will be achieved by using fresh, high-quality ingredients and tried and true recipes. The store layout, menu listing, and marketing activities will be focused on maximizing the number of customers that will find something they like on the rotating, weekly menus. Along with the casseroles and meals, breakfast entrees, salads, Gluten-Free Dairy-Free, and grilling entrees will be sold in the storefront. A Full Plate is built around providing great variety for all palettes. Each main entrée is available in three different size options: Full (9" x 13"), Half (8" x 8"), or Single (Plastic 28oz. container). The Full or Half sizes are intended to be reheated in the oven, and Single size is intended to be reheated in a microwave. Labels are affixed to all packaging with instructions for preparation, macronutrients, expiration date, and a list of all allergens.

Once open at the new location, the majority of sales will still take place on A Full Plate's website: <https://a-full-plate.square.site/>. Some orders will continue to be placed over the phone by an employee and entered on the point of sale system and walk in traffic will be helped as they arrive.

The total project costs are \$1,024,403. This is \$126,700 for building purchase, \$700,672 for construction and renovation, \$56,077 for new equipment to be purchased, \$70,067 for contingency, \$30,900 equipment already purchased by Hekrdles, \$30,987 for demo expenses already incurred, and \$9,000 for financing costs. Hekrdle's and BankFirst in Norfolk are requesting that NENEDD provide a loan in the amount of \$200,000 and Stanton County Public Power District (SCPPD) provide a loan in the amount of \$100,000 for the project. The bank is considering a loan not to exceed \$317,000 loan and SBA will provide approximately \$300,000. The Hekrdle's have already incurred expense of \$69,587 for demolition costs, equipment already purchased, buydown on the building purchase, and will inject an additional \$37,000 cash for project costs. The project will obviously retain Shannon's job and will create an additional five jobs for a total of six.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhler _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

VII. Action Items B

Explanation:

Sources → Uses ↓	Bank/SBA	NENEDD	SCPPD	Equity	Total
Building Purchase	\$119,000	-0-	-0-	\$7,700	\$126,700
Construction/Renovation	\$363,672	\$200,000	\$100,000	\$37,000	\$700,672
New Equipment	\$56,077	-0-	-0-	-0-	\$56,077
Equipment already purchased	-0-	-0-	-0-	\$30,900	\$30,900
Demolition Costs	-0-	-0-	-0-	\$30,987	\$30,987
Contingency	\$70,067	-0-	-0-	-0-	\$70,067
Financing	\$9,000	-0-	-0-	-0-	\$9,000
TOTAL	\$617,816	\$200,000	\$100,000	\$106,587	\$1,024,403

BankFirst in Norfolk is considering a loan not to exceed \$317,000 to A Full Plate, LLC to purchase a building, renovation, contingency, and equipment at 801 10th Street in Stanton to expand the business to a new facility. The loan will be set up as a regular commercial real estate/commercial loan fully amortized over a 20-year term at an interest rate of 7.85% (variable). In addition to a first deed of trust on the commercial real estate, they will require a first lien UCC, and personal guaranty from Shannon and Dan Hekrdle. SBA will provide a loan of approximately \$300,000 over 20 years at an estimated rate of 7.25%.

NENEDD will lend A Full Plate, LLC \$200,000 for renovation to their commercial real estate at 801 & 805 10th Street in Stanton, and to purchase equipment to expand the business to this new facility. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NENEDD will have a subordinate lien position on the business real estate owned by H23 Properties, LLC and business personal property owned by A Full Plate, LLC and A Full Cup, LLC. NENEDD will require personal guaranty from Dan & Shannon Hekrdle and require an assignment of life insurance from Shannon for the amount of the loan for the life of the loan. NENEDD will also file a Deed of Trust on 40 acres of pastureland owned by Shannon's parents in rural Stanton County. NENEDD will share its collateral position with SCPPD on a pro rata basis...67% NENEDD and 33% SCPPD.

SCPPD will lend A Full Plate, LLC \$100,000 for renovation for the same commercial real estate and purchase equipment. This loan will have a term of 20 years at an interest rate of 6.50% (fixed). (rate to be confirmed at time of approval). SCPPD will have a shared subordinate lien position with NENEDD on the business real estate owned by H23 Properties, LLC and business personal property owned by A Full Plate, LLC and A Full Cup, LLC. SCPPD will require personal guaranty from Dan & Shannon Hekrdle and require an assignment of life insurance from Shannon for the amount of the loan for the life of the loan. SCPPD will also file a Deed of Trust on 40 acres of pastureland owned by Shannon's parents in rural Stanton County.

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 of approval of a \$200,000 loan to A Full Plate, LLC in Stanton.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
 Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

NENEDD Board Agenda

Object: Approve a \$120,000 loan to Summerland Investments, LLC, d/b/a Two Bills Steakhouse in Clearwater.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Michael Tabbert and Brian Ferris are planning the purchase of the L Bar B Steakhouse located at 211 Iowa Street in Clearwater. NENEDD has a loan with the current owner. Since COVID, the restaurant has not operated full time. The current owner did some catering but has not been in operation for several months. Payments have been made as promised. The sale will include the real estate, all kitchen equipment, small wares, furniture, and fixtures. The current owner made some improvements to the interior when he purchased it in late 2018 including new tables and chairs and a new \$15,000 oven hood. As the new owners, Mike and Bill will do building improvements including exterior painting, signage, interior painting, replace drop ceiling throughout, purchase a heated buffet, reconfigure the dining room layout, purchase a beer cooler, and add fountain soda (not self-serve) and beer on tap.

Michael & Brian have had a long-time dream and desire to honor their families, serve their community, and fill the need for an upscale yet casual restaurant. The name, Two Bills, pays homage to the owners' father Bill Ferris, a twenty-year Air Force vet and Bill Tabbert, a lifetime educator and coach in Nebraska. With years of restaurant management and more recent remodeling experience, Mike & Brian are looking to transform the L Bar B into a space that is warm, inviting, and unexpected in rural Nebraska. In discussions with Michael, Brian, and the bankers at Cornerstone Bank in Clearwater, there is great anticipation that the steakhouse will open back up again.

Two Bills will be moderately priced offering hamburgers, broasted chicken, shrimp, fish, steak, prime rib, pasta, soup, appetizers, fresh bread and more. Specialty selections will include homemade appetizers, a soup and salad bar, smaller portions for children and vegetarian and gluten free options. They plan to be open seven days a week, mainly in the evenings. They will offer catering and sell retail items with their brand logo, including shirts, sweatshirts, hats, mugs, insulated cups, and more.

The total project costs are \$385,000 which includes \$265,000 for the purchase of the steakhouse, including real estate, equipment, furniture, and fixtures, \$70,000 for renovation, and \$50,000 for working capital. Michael, Brian, and Cornerstone Bank in Clearwater are requesting that NENEDD provide a loan in the amount of \$120,000 for the project. The Bank is considering a loan of \$200,000. The City of Clearwater is considering an application for \$30,000 of LB840 funds. Michael & Brian will inject \$35,000 cash. They will also have a large amount of sweat equity as they will do a lot of the work themselves for the renovation. The project will create seven jobs including Michael & Brian.

Explanation:

Uses ↓	Sources →	Bank	NENEDD	Clearwater LB840	Equity	Total
Real Estate/FFE		\$150,000	\$115,000	-0-	-0-	\$265,000
Renovation		-0-	\$5,000	\$30,000	\$35,000	\$70,000
Working Capital Line of Credit		\$50,000	-0-	-0-	-0-	\$50,000
TOTAL		\$200,000	\$120,000	\$30,000	\$35,000	\$385,000

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

VII. Action Items C

Cornerstone Bank in Clearwater is considering three loans for a total of \$200,000 for this project. One will be \$115,000 loan set up as a regular real estate loan, fully amortized over a 20-year term at an interest rate of 9.00% (10-year variable). The 2nd will be a \$35,000 loan for furniture, fixtures, and equipment loan amortized over a 10-year term. The 3rd will be a \$50,000 loan for working capital/line of credit. The bank will require a first deed of trust on the real estate at 211 Iowa St. in Clearwater, blanket commercial security agreement and personal guaranty from Michael & Brian.

NENEDD will lend Summerland Investments, LLC \$120,000 to purchase the L Bar B Steakhouse at 211 Iowa St. in Clearwater including renovation, furniture, fixtures, and equipment. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NENEDD will have a subordinate deed of trust on the business real estate, subordinate lien on all business personal property, and personal guaranty from Michael and Brian. NENEDD will also file a Deed of Trust on Michael and Brian's personal residence in Ewing and require an assignment of life insurance from Brian for the amount of the loan for the life of the loan.

The City of Clearwater is considering an application for \$30,000 LB840 funds. It is anticipated that this loan will have a term of 15 years at 4.00%. There is a possibility some may be forgiven after a set period of years.

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 \$120,000 loan to Summerland Investments, LLC, d/b/a Two Bills Steakhouse in Clearwater.

Charlie Bahr____ Sally Ganem____ Tina Biteghe Bi Ndong____ Troy Uhler____
Blake Denton____ Loren Kucera____ Meghann Buresh____ Justin Webb____ Benjamin Benton____

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

VII. Action Items C

NENEDD Board Agenda

Object: Approve a \$70,000 loan to TLCCR Esthetics, LLC in Plainview.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Lisa Montgomery is planning the expansion of her MedSpa business, TLCCR Esthetics, LLC in Plainview with the purchase of new equipment, furniture, fixtures and inventory. She has been operating since July 2023 in space leased at the Pure Revival Salon at 104 S. Main St. in Plainview. Besides the MedSpa, Pure Revival has a waiting area, massage therapy room, hair cutting stations, and a pedicure/manicure area. Lisa's MedSpa services include laser hair removal, Botox injections, chemical peels, microneedling, weight management, and body contouring services.

Lisa feels her key to success is repeat business resulting in word-of-mouth referrals. She will continually strive to service her clients and attract future clients by being proactive rather than reactive in her marketing efforts and by staying current with popular industry trends. Together with the Pure Revival Salon they will bundle service packages. The MedSpa will also offer discounts for multiple sessions packages as outlined on page 5 of her business plan. The first year Lisa plans to be open Monday, Wednesday, and Saturday while she continues to work at the CHI hospital in Plainview on Tuesday and Schuyler on Thursday each week.

The total project costs are \$329,000 which includes \$310,000 for the purchase of equipment, \$16,000 for inventory, and \$3,000 for furniture and fixtures. Lisa and Brunswick State Bank are requesting that NENEDD provide a loan in the amount of \$70,000 for the purchase of her equipment. The Bank is considering a loan of \$110,000. The city of Plainview has approved a USDA loan of \$77,000 and \$23,000 of LB840 funds for this project. Lisa will inject \$49,000 in cash for the project. The project will create one new job in addition to Lisa.

Explanation:

Uses ↓	Sources →	Bank	NENEDD	Plainview LB840/IRP	Equity	Total
Equipment		\$110,000	\$70,000	\$100,000	\$30,000	\$310,000
Inventory		-0-	-0-	-0-	\$16,000	\$16,000
Furniture & Fixtures		-0-	-0-	-0-	\$3,000	\$3,000
TOTAL		\$110,000	\$70,000	\$100,000	\$49,000	\$329,000

Brunswick State Bank in Winnetoon is considering a loan of \$110,000 for this project. The loan will be set up as a regular real estate/commercial loan, fully amortized over a 20-year term at an interest rate of 8.5% (3 year variable). The bank will require a first deed of trust on Montgomery's personal real estate at 701 N. 4th Street in Plainview, they will require a blanket security agreement for all business assets.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

VII. Action Items D

NENEDD will lend TLCCR Esthetics, LLC \$70,000 to purchase equipment to expand Lisa's MedSpa business in Plainview. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NENEDD will have a subordinate lien on all business personal property and personal guaranty from Travis and Lisa Montgomery. NENEDD will also file a Deed of Trust on the Montgomery's personal residence in Plainview and require an assignment of life insurance from Lisa for the amount of the loan for the life of the loan.

The City of Plainview has approved a \$100,000 loan at an interest rate of 4.50% for 20 years. This is a combination of \$70,000 USDA Intermediary Relending Program (IRP) and \$30,000 LB840 funds. This will be subordinate to the bank and NENEDD.

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 \$70,000 loan to TLCCR Esthetics, LLC in Plainview.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhler _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

VII. Action Items D

NENEDD Board Agenda

Object: Approve a \$100,000 loan to HNH Auto and Tire, LLC in Emerson.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Hans Houfek started HNH Auto Repair and Tire, LLC (HNH) in 2022. He currently operates out of a 40' x 68' shop located at 1202 Dakota Street in Emerson. The facility has an office, compressor room, tire machines, two hoists, jacks, Snap On scanners, welder, torch, and various hand tools. His business has increased tremendously over the past 15 months, and he wants to expand by adding a 40' x 40' addition to the building. He does all major and minor repair on personal vehicles, sells all brands of tires, custom wheels and truck accessories. He does not work on large trucks/semi-tractors. HNH is the only shop in Emerson and has a customer base within about 30 miles of Emerson.

Prior to starting HNH, Hans worked for Mid America Energy. In 2019 he was approached by the owners of K & S Repair in Homer to manage their auto repair shop. Shortly thereafter K & S purchased an auto repair business in Emerson. In early 2022 K & S Repair decided to sell or shut down their Emerson location because they could not find a quality manager. Hans approached K & S owner about purchasing the Emerson location since he lives in Emerson and wanted to manage/own his own business. He purchased it on contract for \$120,000 making payments of \$1,000/mo for 120 months. (0.00% interest) He has paid down \$14,000 on the property.

Although 0% interest is great, his purchase contract does not allow him to make any changes to the building, thus the need to pay off his sale contract in order to expand. Hans realizes, like many other repair shops, because of rising new vehicle costs and high interest rates, people keep their cars longer and fix them when they need it. HNH does all the maintenance for Norther Natural Gas, Dakota Co. Sheriff's Department, HCI (Ho-Chunk) Management, farms, and Tanif (Temporary Assistance to needy Families), the local school and fire department. HNH is also a Tech Net Shop <https://www.technetprofessional.com/about> and have a two-year parts and labor warranty. Hans feels HNH offers big city service and knowledge for a small town price.

The total project costs are estimated to be \$274,700 to purchase the building, new building addition, fees, and working capital. Houfek's and First Community Bank in Homer are requesting that NENEDD provide a loan in the amount of \$100,000 for the purchase of the building and new addition in Emerson. The Bank has approved a loan of up to \$149,700. Hans & Natasha will provide owner's equity in the amount of \$26,400 of which includes \$14,000 already paid on the purchase of the business/real estate, \$11,000 for the new building addition and fees. The project will maintain the three exiting jobs including Hans and Natasha and they plan to add one additional job for a total of four jobs.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

VII. Action Items E

Explanation:

Uses ↓	Sources →	Bank	NENEDD	Equity	Total
Current Building purchase		\$69,443	\$36,557	\$14,000	\$120,000
Building addition		\$66,490	\$50,000	\$11,000	\$127,490
Fees Misc. Costs		-0-	\$13,443	\$1,400	\$14,843
Working Capital		\$13,767	-0-	-0-	\$13,767
Total		\$149,700	\$100,000	\$26,400	\$276,100

First Community Bank in Homer has approved a loan of up to \$149,700 for this project. The \$149,700 loan will be set up as a regular real estate/commercial loan fully amortized over a 20 year term at an interest rate of 8.75% (5 year variable). The bank will require a first deed of trust on the business real estate located at 1202 Dakota St. in Emerson, first position UCC filing, and personal guaranty from Hans & Natasha Houfek.

NENEDD will lend \$100,000 to HNH Auto Repair and Tire, LLC to expand their auto repair shop located at 1202 Dakota St. in Emerson. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NENEDD will file a subordinate deed of trust on the business real estate and a UCC lien on all business assets of HNH. NENEDD will require a life insurance assignment from Hans for the total amount of the loan for the life of the loan and personal guaranty from Hans and Natasha. NENEDD will also file a deed of trust on Houfek's personal residence in Emerson.

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 \$100,000 loan to HNH Auto and Tire, LLC in Emerson.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhlir _____
 Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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

NENEDD Board Agenda

Object: Approve a collateral change for J's Place, L.L.C. in Pierce

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Wanda & Carroll Backus, Members of J's Place, L.L.C. are requesting a change in collateral related to J's Place, located at 323 E. Main St. in Pierce. The change will be for NENEDD to release its deed of trust on the commercial real estate and UCC filing on the business personal property allowing the Backus' to sell the business. J's Place offered a variety of burger and appetizer selection and specialized in ice cream with a huge selection of additional toppings. The business has been closed for several months due to Wanda's health and other personal reasons. They have someone interested in buying the business and operating it. All proceeds from the sale of the business will go towards existing bank debt and NENEDD will not receive any proceeds from the sale. The sale of the property will not fully cover the bank loan.

- NENEDD loan #322005
 - original note was \$42,300 of COVID funding closed on 11-1-21.
- Monthly payments started 1-1-22.
- NENEDD's loan was for construction of a 33' x 15' shelter attached to the front of the building, a new front door, reconfiguring the kitchen/storage area including adding a 20' storage container and insulating & walls for add'l office space and storage, updating refrigerator, new freezer, and updating the A/C & heater.
- 10 yrs/2.00% for 24 months, then changes to 4.50% effective 1-1-24.
- There was no bank involved in this project, however, there was an existing bank loan prior to our funding.

Explanation:

All payments have been made as promised. NENEDD's collateral includes a subordinate deed of trust on the business real estate and subordinate UCC lien on the business personal property, a Deed of Trust on Backus' personal residence in Pierce, personal guaranty from Wanda & Carroll, and life insurance assignment from Wanda for the amount of the loan. Wanda has promised to continue making the regular monthly scheduled payments.

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

Motion: Consideration for approval of a collateral change for J's Place, L.L.C. in Pierce.

Charlie Bahr _____ Sally Ganem _____ Tina Biteghe Bi Ndong _____ Troy Uhler _____
Blake Denton _____ Loren Kucera _____ Meghann Buresh _____ Justin Webb _____ Benjamin Benton _____

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