

BUSINESS LOAN AGREEMENT

CITY OF MENASHA – ALLIANCE INDUSTRIES, INC.

THIS AGREEMENT, made and entered into as of the _____ day of July 2012, by and between the City of Menasha Grantee, a municipal corporation organized and existing under and by virtue of the laws of the State of Wisconsin, hereinafter referred to as the "City," and Alliance Industries, Inc., a business corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, and qualified to do and doing business in the State of Wisconsin, hereinafter referred to as "Alliance".

WHEREAS, Alliance Industries, Inc., a Wisconsin business corporation licensed to do and doing business in the State of Wisconsin intends to expand its business operations in the City of Menasha, Wisconsin; and,

WHEREAS, Alliance has requested that the City provide financial assistance through the Winnebago Industrial Development Board (IDB) Revolving Loan Fund (RLF) in order that its operations may be expanded within the City; and,

WHEREAS, pursuant to such request, the City, has authorized application for Winnebago County Industrial Development Board funds in an amount of \$830,000; and,

WHEREAS, in recognition that conventional or other financing is not available under reasonable terms, the administration and the lending of the funds to Alliance is necessary to assist Alliance with its proposed business expansion; and,

WHEREAS, such expansion will result in the creation of jobs and increase the City's tax base;

NOW, THEREFORE, for and in consideration of the premises and of the covenants and undertakings herein expressed, the City and Alliance agree as follows:

- I. The City's governing body approves the administration and the lending of the proceeds of the IDB loan to Alliance upon the terms and conditions herein stated, and authorizes the execution and delivery of this loan agreement.
- II. Loan. The City will lend to Alliance for the purpose of purchasing buildings located at 313 and 320 Appleton Street, which currently house the office and production facilities of the company.

Interest Rate Terms and Repayment. The loan will be for a 60-month term. The interest rate will be at a rate equal to Winnebago County's investment rate at loan origination (currently 0.83%), to be adjusted every January 1 equal to the County's average investment rate from the prior calendar year. Principal and interest payments will commence 30 days from the date of the note and be paid in 60 equal monthly installments with a balloon payment for the balance at the end of the 60-month term. A separate annual loan servicing fee of 0.25% charged by the IDB will be added to the repayment schedule.

There shall be no prepayment penalty for the loan.

Security. This loan will be evidenced by an executed promissory note and a real estate mortgage on the property being owned by Alliance Industries, Inc. The mortgage will be recorded at the Winnebago County Register of Deeds Office.

- III. Project Description. Alliance will purchase buildings at 313 and 320 Appleton Street, in the City of Menasha, Winnebago County, Wisconsin from which it will conduct its business operations.
- IV. Disbursement of Loan Funds. The City will distribute the loan funds to Alliance upon transfer of the ownership of the properties at 313 and 320 Appleton Street to Alliance Industries, Inc.
- V. Representations and Agreements of Alliance. Alliance will do the following:
 - A. Sign the loan agreement with the City and related loan agreements.
 - B. Provide, in a timely manner during the term of the loan, quarterly financial statements the first two years with annual statements, documentation of expenditures of funds, hiring records, and other information as may be required.
- VI. Records. In addition, Alliance will maintain those records which are necessary to enable the City to determine whether the performance of Alliance complies with the terms of this agreement. The City will have access to all records pertinent to this agreement for the purpose of examination and transcription during normal working hours. Any change in Alliance officers, registered agents, or addresses must be given to the City in writing.
- VII. Nondiscrimination. Alliance will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or handicap.
- VIII. Default. Failure by Alliance to make payment of any principal or interest within thirty (30) days after the same is due and payable or the failure of Alliance to comply with any condition of this agreement other than the increase of employment contained in Section III is a default. In the event of a default, all sums due or owing to the City shall, at its option, become immediately due and payable. The City may exercise this option by giving written notice to Alliance which specifies the default, the action required to cure the default, and a date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid a foreclosure or other collection action.
- IX. Governing Law. The laws of the State of Wisconsin shall govern this loan agreement and the mortgage and security agreement and promissory note issued hereunder.
- X. Counterparts. This loan agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.
- XI. Severability. If any provisions of this loan agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provisions in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid,

inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this loan agreement shall not affect the remaining portions of this loan agreement or any part thereof.

- XII. Termination. Upon full and final payment of the promissory note, this loan agreement shall terminate and the City shall cause the promissory note to be canceled and delivered to Alliance; and the City shall cause liens of the mortgage and security agreement to be discharged of record.

- XIII. Amendments. Any amendments to this agreement require the written agreement of the City and Alliance.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first written above.

ALLIANCE INDUSTRIES, INC.:

BY THE CITY OF MENASHA:

Robert Mittelstaedt, President

Don Merkes, Mayor

Deborah Galeazzi, City Clerk