

Oneida Tribe of Indians of Wisconsin

BUSINESS COMMITTEE



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.



UGWA DEMOLUM YATEHE
Because of the help of this Oneida Chief in cementing a friendship between the six nations and the colony of Pennsylvania, a new nation, the United States was made possible.

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BC Resolution # 6-06-01-A

Resolution Adopting the Oneida Small Business Project 2000 Policies and Procedures

- WHEREAS,** the Oneida Tribe of Indians of Wisconsin is a federally recognized Indian government and a treaty tribe recognized by the laws of the United States; and
- WHEREAS,** the Oneida General Tribal Council is the governing body of the Oneida Tribe of Indians of Wisconsin; and
- WHEREAS,** the Oneida Business Committee has been delegated the authority of Article IV, Section 1 of the Oneida Tribal Constitution by the Oneida General Tribal Council; and
- WHEREAS,** the Oneida Tribe is committed to enhancing the economic opportunities of its members; and
- WHEREAS,** the establishment of a permanent, prosperous economy within the Oneida tribal community requires the development of a vigorous private sector; and
- WHEREAS,** the development of a vigorous private sector requires investment in the development of private skills and capital; and
- WHEREAS,** the success of such a development program requires both investment and sound, professional management;

NOW THEREFORE BE IT RESOLVED: that the Oneida Tribe hereby establishes the Oneida Small Business Project Loan Fund, defined and to be administered pursuant to the Oneida Small Business Project 2000 Policies and Procedures, which are hereby adopted; and

BE IT FURTHER RESOLVED: that the Treasurer is authorized and directed to reserve the amount of Three Million, Seven Hundred Thousand Dollars (\$3,700,000.00) for deposit into such banks or other financial institutions as the Business Committee may direct for the purpose of constituting the Fund; and


BE IT FURTHER RESOLVED; that the sum of Four Million Dollars (\$4,000,000.00) shall be included in the proposed budget for fiscal year 2002 ;and

BE IT FURTHER RESOLVED, that upon the depletion of the Fund to 50%, the Treasurer shall deposit the aforesaid Four Million Dollars (\$4,000,000.00), if approved, into the Fund; and

BE IT FURTHER RESOLVED: that no deposits into a bank or other financial institution shall be authorized by the Business Committee until and unless it has received a resolution of the Board of that institution, stating that it has read the Oneida Small Business Project Policies and Procedures, and is prepared to administer the Fund according to said document.

Certification

I, the undersigned, as Secretary of the Oneida Business Committee, hereby certify that the Oneida Business Committee is composed of 9 members of whom 5 members constitute a quorum. 7 members were present at a meeting duly called, noticed and held on the 6th day of June, 2001; that the foregoing resolution was duly adopted at such meeting by a vote of 6 members for; 0 members against; and 0 members not voting; and that said resolution has not been rescinded or amended in any way.


Julie Barton, Tribal Secretary
Oneida Business Committee

**Small Business Project 2000 Policies and Procedures
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Oneida Small Business Project 2000

Policies and Procedures

Chapter 1

Nature of the Project

1(a) The Oneida Small Business Project 2000 consists in a cooperative arrangement between the Oneida Tribe (hereafter "Oneida") and Wisconsin banking institutions (hereafter "Bank(s))." The purpose of such arrangement is the promotion of Oneida economic development through the enhancement of credit availability to Oneida tribal members engaged or proposing to engage in business ventures.

b) The two principal elements of the Project are as follows

(i) The Tribe shall deposit a significant sum of money in one or more participating Banks which shall constitute the Oneida Revolving Loan Fund (hereafter "Loan Fund" or "Fund"), a fund available for loan to qualifying Oneida tribal members and their businesses.

(ii) The Banks shall be responsible for the administration of the Fund employing established lending policies and procedures, subject to such specific rules and procedures as are stated further herein.

(iii) For their services in administering the foregoing Fund(s) the Banks shall receive a prescribed fee similar to that paid by the SBA or any other Federal or State Small Business Development Program, to be collected from the fund established under subsection (i) above. This fee is in addition to expenses or service charges customarily charged by such lending institutions.

(iv) It shall also be the purpose of the Program to identify other programs fostering credit availability for tribal members, e.g., government programs for minority and/or women's business development, utilizing the Bank(s)' knowledge and experience with such programs.

Chapter 2

The Bank(s)' Role in the Program

2(a) Application Process. The Bank(s) shall be responsible for developing and/or providing all forms necessary for application, together with informational brochures describing and explaining the application process and the elements of an acceptable business plan,

2(b) Consultation and Assistance. The Bank(s) shall provide consultation and such assistance as is feasible relating to completion of the application and business plan; e.g., informing applicants of resources to assist in business planning or estimations; and in addition, informing applicants of such alternative programs or funding/credit resources as may fit their circumstances.

2(c) Loan Review and Decision. The Bank(s), through their loan manager and other bodies, shall conduct the entire loan application process, from initial consultation through application to review and decision, as more specifically provided in Chapter 00 below.

2(d) Loan Closing. The Bank shall be responsible for conducting the entire loan closing and issuance process, including prescribing and approving all loan and security documents, and assuring that other promised funds and financing are in place and in compliance with Loan Fund requirements.

2(e) Loan Monitoring. The Bank shall require the filing of periodic post-closing financial statements and business progress reports, and shall conduct periodic site visits to verify the information set forth in these documents.

2(f) Loan Collection and Enforcement. The Bank shall be responsible for receiving all loan repayments and depositing such payments in the Loan Fund, together with the enforcement of loan terms and covenants.

2(g) Except where otherwise provided, these duties shall be performed according to the Bank's established policies and practices.

2(h) Records. Written records of all program activities, including program meetings, loan applications and related documents, shall be maintained in appropriate files at the participating Banks. All such files shall be maintained in a secure place with limited access by authorized personnel. The following files shall be established and maintained for each loan recipient:

(i) Loan application file. All applications, business financial statements, personal financial statements, credit reports, business plan documents, and all other supporting loan information submitted by the applicant to the Bank in the process of obtaining, or seeking to obtain a loan, including all applicable correspondence, shall be placed in a permanent file held and maintained at the participating Bank.

(ii) Loan recommendation file: This file should contain a summary of the loan analysis, recommended actions on the application, a copy of the minutes for the loan review(s) performed by the Bank, and any other document summarizing the action(s) taken on the loan request.

(iii) Loan Closing File: This file should contain all loan closing documents, including legal instruments, e.g., mortgages and other security documents, promissory notes, etc., together with applicable correspondence, which shall be held secure in a fireproof safe.

(iv) Follow-up ("tickler file") system: A follow-up file system should be established and maintained to ensure that loan repayments, financial information, the loan agreement, Uniform Commercial Code (UCC) updates, and other time sensitive documentation requirements are tracked and obtained as required. The system should include the following monthly coded index files:

(A) Expiration dates for property, casualty and life insurance policies;

(B) Due dates for all financial statements;

(C) Expiration dates for UCC financing statements, the reminder to update being at least 45 days prior to the expiration of the UCC filing on hand;

(D) Scheduled dates of annual loan performance and covenant reviews;

(E) Dates for site visits;

(F) Due dates for property tax payments and dates by which the taxing authority expects to hear from the borrower regarding confirmation of payment of taxes;

(G) Review dates for job monitoring; and

(H) Dates on which loan recipients are to be notified of scheduled changes in the loan amortization scheduled per loan agreements.

(v) Financial Statement File: This file shall contain the business' periodic financial statements and copies of tax returns as required by the loan covenants, as well as a statement that the loan administrator has reviewed the data.

(vi) Progress Report File: This file shall contain the periodic progress reports loan recipients are required to submit during the outstanding term of the loan, together with reports on the Bank's periodic site visits, and a statement that the loan administrator has reviewed the documents.

(vii) Repayment Monitoring File: This file shall include the loan amortization schedule, status of payments, the outstanding balance of the loan, and all notices and correspondence with the borrower concerning repayment deficiencies. Observations suggesting concerns or problems should be placed in the Follow-up File, to assure that loan administrators are aware of an enhanced need for continued monitoring; such observations should also be provided to the Oneida Liaison.

(viii) Loan Review File: This file shall contain all reports of the Bank's post-closing loan reviews

2(i) Reporting to the Tribe. The Bank shall submit to the Oneida Liaison monthly statements of all loan fund deposits and disbursements, identifying each disbursement recipient and deposit source, and in addition supply the following notices.

(i) Notice of Loan Approval, with description of loan purpose, amount, duration and interest rate.

(ii) Notice of Loan Rejection, with statement of reasons.

(iii) Notice of repayment deficiency or other problem in meeting loan obligations that will be treated as a default if not promptly remedied.

(iv) Notice of Loan Restructuring or Workout.

(iv) Notice of a Borrower's Default.

(v) Upon written instruction from the Oneida Liaison the Bank shall use numbers or other code to identify loans, in place of individual names.

2(j) Operation of the Loan Fund. The Bank shall submit semi-annual reports on the operation of the loan fund, with emphasis on the fund's progress or non-progress toward self-sustaining status, together with such recommendations as the Bank may make on improving the fund's performance.

2(k) Audit. The Bank shall make its files available for an annual audit of the loan fund, conducted by an auditor selected by the Tribe, whose Report shall be submitted to both the Tribe and the Bank.

2(l) Ordinary Bank Loans. Nothing in this Chapter shall be understood as preventing a tribal member from applying for or receiving an ordinary bank loan, to be issued from Bank funds and reviewed and administered according to ordinary Bank terms, policies and procedures. Nor shall anything in this Chapter be understood as waiving or absolving the Bank(s) duties to provide fair and equal treatment to tribal applicants for ordinary loans.

Chapter 3

The Tribe's Role in the Programs

3(a) Oneida Liaison. The Business Committee shall designate a specific individual or office to serve as Oneida Liaison, for the receipt of all communications from the Bank(s) and the transmission of all tribal communications to the Bank(s), regarding the loan program and fund.

3(b) Audit. The Oneida Business Committee shall select an independent auditing firm to conduct an annual audit of the Loan Fund, and report its findings to the Tribe and Bank(s).

(i) The costs of such audit shall be borne by the Loan Fund.

(ii) The Oneida Audit Committee shall conduct periodic review of the Bank's monthly statements and semi-annual reports of Loan Fund performance and report any concerns to the Business Committee.

3(c) Tribal Assumption of High-Risk Loan Responsibility. Upon receiving notice of the rejection of a loan application for reasons other than ineligibility of the applicant or venture, and upon subsequent request by the applicant, the Tribe may direct the approval of the loan upon the terms and conditions it shall designate.

(i) All requests for such high-risk approval shall be in writing, submitted to the Oneida Liaison. The request shall state the reasons its proposed business venture deserves special consideration.

(ii) No requests shall be received or processed prior to the Business Committee's adoption of written criteria for special consideration, and the Committee's designation of the final decision-making body.

(iii) Where the Tribe decides to consider such loan, it shall request and be furnished with copies of the Bank's Loan Application and Loan Recommendation files.

(iv) Upon approval of such high-risk loan the Oneida Liaison shall promptly notify the Bank, which shall subsequently process the loan, and disburse loan proceeds from the Loan Fund.

3(d) Tribal Payments to Avoid Default. Upon the Bank's referral of a problem loan to the Oneida Liaison, the Business Committee or its designee may authorize the cure of deficiencies by disbursement of funds from the tribal business fund at Bay Bank, provided that there is sufficient collateral security to insure repayment.

(i) Where foreclosure of collateral ultimately proves necessary, the proceeds shall be allocated pro rata between the Loan Fund and the tribal business fund at Bay Bank.

3(e) The Oneida Liaison shall maintain two Loan Fund registers, as follows:

(i) A monthly updated register recording each individual deposit, including repayments, and each disbursement, including administrative fees, taken from the Bank's monthly statements, and maintained confidentially.

(ii) A similar monthly updated register, except that repayments by and disbursements to individual loan recipients shall only be registered in summarized fashion.

3(f) Confidentiality. The Business Committee, the Oneida Liaison and any other tribal official or body authorized to hold or review individual Loan Fund records shall handle and maintain such records in a secure and confidential manner. All Loan Fund records shall be held and maintained separately from other tribal financial records.

Chapter 4

Eligibility and Requirements for Application and Receipt of a Program Loan

4(a) To be eligible for a Program loan a business must be owned by an Oneida tribal member or members and located within the Oneida Indian Reservation or elsewhere in the State of Wisconsin.

(i) A business is to be deemed owned by a tribal member if the member(s) own and control at least 51% of the business venture.

(ii) To be eligible an applicant must be at least 18 years of age. No applicant shall be eligible who is assigned, associated, employed by or acts in any official capacity for the participating Bank, nor shall any applicant be eligible who is in arrears on a tribal loan.

4(b) A tribal member who seeks a Program loan shall begin by securing a loan application and such informational brochures as the Bank shall supply pertaining to its requirements. All further dealings relating to the loan shall be with the Bank, through its loan manager.

4(c) To initiate consideration a tribal member shall submit to the Bank a completed loan application, accompanied with a Business Plan meeting the Bank's criteria, a conflict of interest disclosure statement, and evidence of the applicant's completion of a small business course, as defined by Bay Bank, within the previous two (2) years.

(i) The Business Plan shall identify the applicant's funds required to meet the 1% minimum owner's contribution and other proposed sources of funds needed to leverage the loan, pursuant to Section 5(a) below.

(ii) Financial Feasibility and Business Viability. The Business Plan must demonstrate that the proposed business venture will have the economic ability to repay the loan funds.

(iii) Project Completion. The Business Plan shall demonstrate that the proposed business project can be completed within eighteen (18) months. Should the applicant desire a longer time, he/she should be prepared to demonstrate why special consideration is reasonable and necessary.

4(d) Eligible Loan Activities. Program loans shall be available to eligible applicants for the following activities:

(i) The acquisition of business/commercial land, buildings or fixed equipment. Where land or buildings on the reservation are purchased with Loan Fund proceeds, recipient shall execute a "Right to Purchase" at fair market value, in favor of the Oneida Tribe, to be filed along with other recordable documents, such right to be executable upon the land or building being offered for sale, and to have priority over any offer to purchase.

(ii) Site preparation, construction or reconstruction of buildings or the installation of fixed equipment.

(iii) Clearance, demolition, or the removal of structures or the rehabilitation of buildings and other such improvements.

(iv) The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly assist the business operations or, create or retain jobs.

(v) Working Capital for inventory, and start-up direct labor costs only

4(e) Non-Allowable Loan Activities. Program loans will not be available for the following activities:

(i) Refinancing or consolidating of existing debt.

(ii) Reimbursement for expenditures prior to loan approval.

(iii) Specialized equipment that is not essential to the business operation

(iv) Residential building construction or reconstruction (unless such reconstruction is intended to convert the building to a business or industrial operation).

(v) Routine maintenance.

(vi) Professional services such as feasibility and marketing studies, accounting, management services, and other similar services. Legal services for closing a Program loan are eligible.

(vii) Other activities that the Bank's Loan Review may identify during the administration of the loan program.

4(f) Ineligible Businesses. The following businesses shall not be eligible for Program loans:

(i) Tribal Enterprises and tribally-owned or managed corporations.

(ii) Speculative investment companies, i.e., marketing securities and related private investments such as mutual funds, hedge funds, etc.

(iii) Real Estate investment companies

(iv) Lending institutions

(v) Gambling operations. (Exempt are service, equipment, and supply firms, subject to review and approval of primary lender).

(vi) Non-public recreation facilities.

4(g) Loan Priority. In the event that qualifying loans requested exceed available funds, the following criteria will be used to determine which businesses will receive a loan:

(i) Eligibility of the applicant(s).

(ii) Eligibility of the project to be undertaken.

(iii) The extent to which private funds are to be contributed to the project.

(iv) The extent to which the loan can be secured.

(v) Evidence of ability to repay the loan.

(vi) Size of the loan requested.

(vii) Timing of the proposed expenditures.

(viii) Completeness of loan application.

(ix) Completeness and quality of the business plan.

(x) Other factors affecting the business or deemed appropriate and identified by the Bank.

Chapter 5

Loan Terms And Conditions

Loan terms and conditions will be structured on the need and ability of the business venture to repay. The following are the minimum standards applicable to a Program loan other than a high-risk loan by special tribal approval:

5(a) Loan Amount and Leverage Funds. The loan amount can cover up to 85% of the business venture cost. The actual amount is to be determined by the Bank.

(i) At least 1% of the project shall be provided by the applicant's own funds.

5(b) Interest Rates. The interest rate may be no less than 50% of the Bank's prime rate and no more than two points over the prime rate.

5(c) Duration of Loans.

(i) Working capital loans shall have a maximum term of seven (7) years.

(ii) Loans for machinery, equipment and fixtures shall have a maximum term of ten (10) years.

(iii) Real estate loans shall have a maximum term of fifteen (15) years which can be amortized over a twenty five (25) year basis with the option of refinancing for an additional ten (10) years.

(iv) The foregoing terms notwithstanding, the loan shall not have a term longer than the term of any other private financing in the business venture.

(v) Amortization Schedules. Amortization schedules shall be set up for monthly payments. At the option of the loan manager, monthly payments may be calculated upon longer term amortization schedules, with a balloon payment.

(vi) Repayment. Payment of interest and/or principal may be deferred during the implementation period of the assisted activity if merited in the loan application, for a period not to exceed eighteen (18) months. Such deferral shall not extend the maximum allowable term of the loan. Interest shall accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.

(vii) Prepayment. No prepayment clauses or penalties shall apply to these loans

(viii) Collateral. With respect to secured collateral the tribal loan shall have priority over any other financing for the venture, except where other governmental loans have priority as a matter of law.

Chapter 6

Loan Review Process

6(a) All contacts and submissions regarding an Page loan shall be with the participating Bank, including the initial contact, through application review, loan decision, post-loan monitoring and collection.

6(b) Preliminary Review. The loan manager shall review the application for completeness and verify that the proposed business venture meets the minimum requirements

(i) Where the loan manager finds the application is complete and meets the minimum requirements herein, he/she shall forward the completed application and attached documents to the Bank's Loan Review Committee for decision.

(ii) Where a submitted application is incomplete the loan manager shall inform the applicant of the deficiencies and render such assistance as is feasible toward the completion.

6(e) Formal Review. The Bank's Loan Review Committee shall meet to review an application within the Bank's normal scope of business, but no later than 30 days following its receipt of the completed application.

(i) The Committee shall decide whether the business venture is acceptable for funding, unacceptable, or that further documentation, modification or clarification is needed.

(ii) Where the Committee decides either that the venture is acceptable or unacceptable for funding, the loan manager shall promptly notify the applicant and forward a copy of the decision to the Oneida Liaison.

(iii) Where the decision is to reject the loan request, the notice of decision shall state the reasons for rejection and indicate that the loan manager is available to meet with the applicant to identify and explore alternative funding sources.

(iv) Where the Committee requires clarification, modification or further documentation, the loan manager shall promptly notify the applicant of the additional requirements in writing.

Chapter 7

Loan Closing Procedures

Prior to releasing loan funds, the following documentation must be in place or provided at the closing.

7(a) Loan Agreement. The Bank shall prepare and execute a loan agreement, employing its standard loan agreement, with such modifications as are required by these policies and procedures.

7(b) Promissory Note. A promissory note shall be prepared by the Bank, and executed at the closing by the borrower, which note shall be dated; shall reference the agreement between the Bank and the loan recipient; and shall specify the amount and terms of the loan funds approved and to be delivered.

7(c) Security Documentation. Mortgage, security instruments, third party and/or personal guarantees provided as security for the loan shall be prepared by the Bank and executed by the borrower at the time of the loan closing. Following the closing the Bank shall promptly record with the Register of Deeds or Secretary of State all instruments subject to recording and, where not returned, place a copy in the Loan Closing File, including, where applicable, the following:

- (i) Mortgage and/or security agreement.
- (ii) UCC searches and filing.
- (iii) Guarantee agreements.
- (iv) Assignments of life insurance.
- (v) Other documents determined by the Bank to be appropriate.

(vi) All documents requiring execution by the borrower shall be executed before the disbursement of any loan funds.

7(d) Business Protection Documentation. At or prior to the closing the borrower shall provide and the Bank shall examine evidence of insurance and other documents required for normal business protection, and assure that such protections are in force, including, where applicable, the following:

- (i) Title insurance or opinion on abstract of title.
- (ii) Casualty, liability and other applicable insurance binders.
- (iii) Necessary permits, licenses, registrations, etc.

(iv) Other business protection documentation as may be appropriate.

7(e) Evidence of Additional Funds and Business Expenditures. To demonstrate that the projected loan is properly leveraged and does not exceed the allowable percentage of the project investment, borrower shall supply and the Bank shall examine and determine the adequacy of the following:

(i) Documentation of the availability of additional financing.

(ii) Documentation of the availability of personal or business funds.

(iii) Documentation of prior business project expenditures, including paid bills, invoices and other forms of clearly identified and dated receipts, bills of sale and/or canceled checks.

(iv) Fixed Equipment. With respect to fixed equipment already purchased with leverage funds, the loan manager shall secure assurance that the equipment has not only been purchased but has been delivered and installed.

7(f) Other Documentation. As appropriate or necessary, the applicant may be required to provide the following:

(i) A certificate of status from the a financial Institution.

(ii) Where the borrower's business is incorporated, the Articles of Incorporation and by-laws, and the letter from the bank official authorizing the borrowing of the funds, certified by the Corporate Secretary.

(iii) Where the business is already in operation, current financial statements.

(iv) Where a real estate loan is involved, an Environmental Assessment which may either be a phase I, II, or III analysis, depending on the environmental condition of the site.

7(g) Upon negotiation of the final terms of the loan the loan fund manager shall provide the borrower with a list of all documents he/she is required to provide prior to or at the closing.

(i) The loan manager shall not schedule the closing until he/she receives evidence that the documentation the borrower is required to provide is already in place or assurance that it will be available at the closing.

(ii) Where circumstances require, the loan manager may supplement the list of documents the borrower is to provide, and reschedule the closing to provide additional time.

(iii) In addition to the documents the borrower is required to provide, the loan manager shall list the documents the borrower will be required to execute, and other documents he will be furnished at the time of closing. manager will schedule a loan closing. All document will be executed before funds are disbursed, and mortgages and UCC Statements will be recorded With the Register of Deeds and the Secretary of State.

7(f) Repayment Schedule. No later than the closing a loan repayment or amortization schedule shall be prepared by the Bank, and dated and signed by all parties involved. The repayment schedule shall be attached to all parties' copies of the agreement.

7(g) Copies of the loan closing documents and an amortization schedule will be provided to the loan recipient, along with an invoice, if applicable, for loan closing and servicing fees.

7(h) The Bank shall provide the borrower with a list of all documentation he/she will be required to provide prior to or at closing. Such notice shall be provided at least twenty (20) days prior to closing unless such requirement is waived in writing by the borrower.

Chapter 8

Post-Closing Procedures

8(a) Financial Statements. During the duration of the loan the Bank shall require and review the borrower's periodic business financial statements, together with applicable tax returns. Such periods shall be no longer than annual.

8(b) Progress Reports. During the duration of the loan the Bank shall require and review the borrower's periodic business progress reports. Such periods shall be no longer than annual.

8(c) Site Visits. The Bank shall schedule periodic site visits, particularly following receipt of financial statements and progress reports, for purposes of verifying information supplied by the borrower, and to continue to monitor the expenditure of both Page loan proceeds, other loan proceeds, grants and private funds used as leverage to comply with the requirements of contributions to the project funds. At such time the borrower shall be available and make his/her business premises, records and equipment available for inspection by the Bank's authorized agents.

(i) A report shall be prepared after each site visit, which shall highlight any information that can help in rating the overall condition/risk of the loan.

8(d) Periodic Loan Reviews. All loans are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the Bank. The review should follow receipt of the fiscal year-end financial statements, the year-end progress reports, and site visit reports. A written report of the loan review shall be prepared and shall address the following: timeliness of monthly payments; condition of collateral securing the loan; status of security documents; overall financial condition of the business; the presence of material liens or lawsuits; and violations of loan covenants with suggested corrective actions.

Chapter 9

Obligations of the Loan Recipient

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

9(a) Not to discriminate on the basis of age, religion, color, handicap, sex, physical condition, development disability, sexual orientation or national origin, as defined in Oneida, Wisconsin or federal civil rights laws, in any employment or construction activity related to the use of the business loan proceeds.

9(b) To use the loan money solely to pay the cost of property acquisition, services and materials necessary to complete the project or activity for which the loan funds were awarded.

9(c) To permit inspections of all projects and properties assisted by loan funds, by persons authorized by the Bank. Related project materials shall also be open to inspections, which include, but may not be limited to, contracts, materials, equipment, payrolls, and conditions of employment. The recipient shall cooperate and comply with such requests.

9(d) To maintain records on the project as may be requested by the Oneida Tribe, and, at tribal request, provide the Tribe with copies of such records. These records shall be maintained as long as the loan is active or for at least three (3) years after completion of the work and activities for which the loan has been obtained, whichever is longer.

9(e) To submit periodic progress reports to the Bank in accordance with the schedule in the loan agreement. These reports shall report on project progress and/or completion.

9(f) To maintain fire, casualty and extended coverage insurance on the business property during the term of the loan. The Bank shall be listed as Loss Payee, Mortgagee, or "additional" insured on the policy, and shall deposit all proceeds necessary to cover loan deficiencies or default in the Loan Fund.

(i) Where required by the Bank, the borrower shall also maintain a term life insurance policy sufficient to cover the loan balance through the life of the loan.

9(g) To abide by all federal laws, where applicable to the business. These may include such federal laws as the Civil Rights Act of 1964; the Age Discrimination Act of 1975; the Davis-Bacon Act, as amended; the Contract Work Hours and Safety Standards Act; the Copeland "Anti-Kickback" act; and regulations pursuant to these Acts.

9(h) Where business is located on the reservation, compliance with all laws of the Oneida Tribe, including zoning, building code, environmental ordinances and policies, cultural heritage, on-site waste disposal, and land use plan.

Chapter 10

Collection and Enforcement

10(a) Overdue Payments and Other Loan Deficiencies. Should a loan payment be overdue or should there be any other deficiency in the performance of loan covenants, the Bank shall notify the borrower in writing of the deficiency and the action that may be taken should the payment not be made or the other deficiency cured.

(i) The loan administrator shall contact the borrower to determine the reason for the late payment or other deficiency.

(ii) In the case of an overdue payment the loan administrator may contact other participating lenders to determine if their loans to the borrower are current.

(iii) In the case of an overdue payment, subsequent payments shall be applied first to late payment penalties, then to accrued interest and lastly to principal.

10(b) Where the business is experiencing ongoing problems with meeting its loan obligations the loan administrator shall meet and work with the borrower to identify changes that are needed to correct the problem(s), including possible restructuring or work-out of the loan to protect the Loan Fund's interest and meet the needs of the business.

10(c) Default. In the event that the loan administrator determines that the business' problems are too serious for Section 9(b) remedies to be feasible, and the loan is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, shall, at the Bank's option, become immediately due and payable. In order to exercise this option, the Bank shall first provide the borrower and the Oneida Liaison with written notice specifying the following:

- (i) The nature of the default
- (ii) The action required to cure the default
- (iii) A date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other collection action.
- (iv) Any penalties incurred as a result of default of any terms or conditions of the loan agreement.

10(d) Collection and Foreclosure. In the event that neither the borrower nor the Tribe, acting pursuant to Section 3(d), cures the default within the prescribed time, the Bank may take such foreclosure or other collection action as it deems appropriate, acting pursuant to its ordinary policies and practices. All recovery in excess of the collection costs shall be deposited in the Loan Fund.

End

Public Hearing held on October 26, 2000

Presented for Business Committee Approval on May 25, 2001