

RESOLUTION

RESOLUTION NO. 2025-23

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A MANAGEMENT AGREEMENT BETWEEN THE BUTLER COUNTY FINANCE AUTHORITY AND THE SOUTHWEST OHIO IMPROVEMENT FUND

WHEREAS, The Butler County Finance Authority ("BCFA") is a body corporate and politic organized under Chapter 4582 of the Ohio Revised Code, with a statutory mission to promote economic development within Butler County; and

WHEREAS, The Southwest Ohio Improvement Fund ("SOIF") is an Ohio nonprofit corporation recognized as a 501(c)(3) organization and Certified Development Entity; and

WHEREAS, BCFA has authorized the allocation of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) from its available reserves to capitalize SOIF's initial Revolving Loan Fund (RLF); and

WHEREAS, BCFA has determined that such funds shall be administered pursuant to a management agreement between BCFA and SOIF attached hereto as Exhibit A; and

WHEREAS, The purpose of the Management Agreement ("Agreement") is to establish the administrative, operational, and financial management framework under which BCFA will support, oversee, and administer the activities of SOIF in a manner consistent with SOIF's designations and BCFA's statutory mission; and

WHEREAS, The proposed Agreement defines the Scope of Services to be provided by BCFA, including financial management, program administration, underwriting coordination, and governance support; and

WHEREAS, The Agreement specifies the responsibilities of SOIF, including maintaining its legal status, providing strategic direction, acting upon recommendations from BCFA's Deals, Credit, and Finance Committee, approving loan terms, and providing necessary reporting information; and

WHEREAS, the Agreement establishes defined lending parameters for the RLF, including a maximum loan amount of \$100,000 for manufacturing equipment and \$50,000 for all other eligible uses (including the use of funds as a credit enhancement to leverage traditional financing), a maximum loan term of five years, and an interest rate set at 100 basis points (1.00%) below the Wall Street Journal Published Prime Rate; and

WHEREAS, The BCFA Board of Directors has reviewed the terms and conditions of the Management Agreement, finding the Agreement to be in the best interest of the Authority and consistent with its mission to promote economic development.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BUTLER COUNTY FINANCE AUTHORITY:


Section 1. Approval of Agreement. The Management Agreement between the Butler County Finance Authority and the Southwest Ohio Improvement Fund, in substantially the form presented to this Board, is hereby approved as is.

Section 2. Authorization to Execute. The President and Chief Executive Officer of BCFA, or their designee, is hereby authorized and directed to execute the Management Agreement on behalf of the Butler County Finance Authority.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY the Board of Directors of the Butler County Finance Authority, this 17th day of December, 2025.

Motion to pass Resolution **DIRECTOR QUINN** Seconded by **VICE CHAIR CANAAN**.


_____ Chair, Butler County Finance Authority

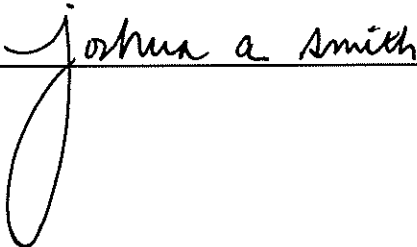
Attest: 
_____ Secretary

EXHIBIT A

MANAGEMENT AGREEMENT

Between the Butler County Finance Authority and the Southwest Ohio Improvement Fund

This Management Agreement ("Agreement") is made and entered into as of the ____ day of _____, 2025, by and between:

THE BUTLER COUNTY FINANCE AUTHORITY ("BCFA"), a body corporate and politic organized under Chapter 4582 of the Ohio Revised Code, and

THE SOUTHWEST OHIO IMPROVEMENT FUND ("SOIF"), an Ohio nonprofit corporation recognized as a 501(c)(3) organization and Certified Development Entity.

Collectively, the parties are referred to as the "Parties."

1. Purpose

BCFA has authorized the allocation of \$500,000.00 from its available reserves to capitalize SOIF's initial Revolving Loan Fund (RLF), and has directed that such funds be administered pursuant to a management agreement between BCFA and SOIF.

The purpose of this Agreement is to establish the administrative, operational, and financial management framework under which BCFA will support, oversee, and administer the activities of SOIF in a manner consistent with SOIF's 501(c)(3) and CDE designations and BCFA's statutory mission to promote economic development within Butler County.

2. Scope of Services

BCFA agrees to provide management and administrative services to SOIF, including:

2.1 Financial Management

- Oversight and administration of the SOIF Revolving Loan Fund.
- Accounting, disbursements, reconciliations, and financial controls.
- Preparation of financial reports for the SOIF Board.

2.2 Program Administration

- Loan intake, application processing, compliance review, and documentation.
- Recordkeeping consistent with SOIF's IRS and U.S. Treasury certifications.

2.3 Underwriting Coordination

The BCFA Deals, Credit, and Finance Committee, or a qualified third-party lending administrator engaged by BCFA (such as the Cincinnati Development Fund), will:

- Review and underwrite all RLF applications;
- Prepare written analyses and recommendations;
- Submit recommendations to the BCFA Board and, where appropriate, the SOIF Board.

2.4 Governance & Compliance Support

- Management of agendas, records, minutes, and document retention.
- Ensuring alignment with BCFA and SOIF lending policies, credit standards, and risk frameworks.

2.5 Loan Processing and Administration

BCFA, or a qualified third-party lending administrator engaged by BCFA, shall be responsible for ongoing loan processing and administrative functions, including:

- Preparation and coordination of loan commitment letters and closing documents.
- Facilitation of loan closings, including execution, filing, and recording of applicable security instruments.
- Ongoing servicing and monitoring of loans, including payment processing, collection activities, compliance verification, and annual financial reviews.
- Communication with borrowers regarding reporting requirements, covenants, insurance, and compliance matters.
- Maintenance of loan files, servicing records, amortization schedules, and internal compliance documentation.

- Identification and escalation of any loan delinquencies, defaults, or material borrower issues to the BCFA and SOIF Boards.
- Coordination with legal counsel, accountants, auditors, or third-party servicers as needed to support proper loan administration.

3. Responsibilities of SOIF

3.1 Governance

- Maintain its status as a 501(c)(3) nonprofit and Certified Development Entity.
- Provide strategic direction for the use of RLF resources.

3.2 Decision-Making

- Act upon recommendations from BCFA's Deals, Credit, and Finance Committee.
- Approve terms for loans, grants, or program investments within SOIF policies.

3.3 Reporting

- Provide BCFA with information necessary for audits, compliance reviews, and financial reporting.

4. Use of Allocated Funds

The \$500,000 allocation shall be used solely to capitalize and operate SOIF's Revolving Loan Fund and to support activities aligned with SOIF's mission and program objectives.

4A. Lending Limits and Terms (BCFA Policy Requirements)

4A.1 Maximum Loan Amounts

- Up to \$100,000 for manufacturing equipment purchases.
- Up to \$50,000 for all other eligible uses of funds.

4A.2 Maximum Loan Term

- No loan shall be amortized longer than five (5) years, regardless of purpose.

4A.3 Interest Rate

The interest rate for all RLF loans shall be set at 100 basis points (1.00%) below the Wall Street Journal Published Prime Rate ("WSJ Prime"), a widely used benchmark for commercial and equipment lending.

The rate may be fixed at closing or adjusted in accordance with SOIF policy, but shall always remain no more than 100 basis points below WSJ Prime as of the date of loan approval.

4A.4 Consistency With Mission and Risk

All loans must comply with BCFA and SOIF underwriting standards, credit criteria, and risk policies.

Exceptions require approval from both the BCFA Board and the SOIF Board.

4B. Reversion of Funds upon Inactivity or Dissolution

If SOIF ceases to exist or becomes inactive—including failure to hold a board or committee meeting within any rolling twelve (12) month period—all uncommitted or remaining funds associated with this allocation shall automatically revert to BCFA and be returned to its general reserves, subject to applicable legal and fiduciary obligations.

5. Term

This Agreement remains in effect unless terminated by either Party with 90 days' written notice, provided all outstanding obligations are addressed and active loans are transitioned to a mutually acceptable administrator.

6. Compensation

SOIF may authorize a management fee or cost-reimbursement arrangement to BCFA, adopted by separate amendment.

7. Records and Audit

BCFA shall maintain all program records, which shall remain available for SOIF inspection and compliance oversight. SOIF will provide BCFA copies of annual audits and compliance reports.

8. Indemnification

Each Party shall indemnify the other for claims arising from its own negligence or misconduct.

9. Amendments

Amendments require written approval of both governing boards.

10. Entire Agreement

This Agreement constitutes the entire understanding between the Parties.

11. Signatures

BUTLER COUNTY FINANCE AUTHORITY

By: _____

Joshua A. Smith

President & Chief Executive Officer

Date: _____

SOUTHWEST OHIO IMPROVEMENT FUND

By: _____

Caroline McKinney

Chair, Board of Directors

Date: _____