



Business Update

REFLECTIONS ON 2009 -- KEVIN TENPAS, HBB/WCB PRESIDENT



ECONOMY

Special thanks to our clients and friends for a successful 2009. While the economy has caused challenges for our clients and business partners as well as our bank, it has also provided opportunities for us. Many of our competitors are experiencing troubled times and have significantly tightened up their ability to lend money.

On the other hand, we have been able to grow with our cornerstone clients and expand our client base through various means, including our partnership with USDA. (See Mark Brodziski article.)

CREATIVITY

The USDA has received \$1.7 billion in new stimulus funding under ARRA for FY 2010 to lend to rural America (municipal populations under 50,000). We have been able to provide our Wisconsin and UP Michigan clients with long term committed financings for **national projects** including the following: A) \$7.5 million for 7 year equipment financing utilized nationally B) \$10.0 million equipment financing for expansion in Texas and C) \$3.0 million construction project in North Carolina for a national concrete project.

TEAMWORK

During 2009 we have successfully consolidated the Wisconsin Community Bank Madison and Monroe Business banking and Ag banking groups with our Heartland Business Bank Sheboygan and Green Bay groups into one cohesive Wisconsin Business Banking team. The leaders of these groups are: Craig Aderhold, Green Bay; Mark Maurer, Sheboygan; Rick Cushman, Madison/Monroe; Ron Markham, Monroe/AG; Pam Dekker, Treasury Management.

TECHNOLOGY

Over the last several years we have expanded on our **“Big Bank Punch with the Little Bank Touch.”** Keeping up with the larger banks, we have introduced to our clients – both large and small – technical conveniences such as eStatements, Remote Deposit Capture, Positive Pay and ACH Fraud Filter. These and our other services are still competitively priced and managed by local specialists offering you a unique banking experience—service, technology, convenience and savings. Pam Dekker, CCM/AAP, heads up the Wisconsin group for working with our clients, structuring relationships that make sense and making “Great Things Happen!” **HAPPY NEW YEAR,**

Kevin

USDA LOAN PROGRAM

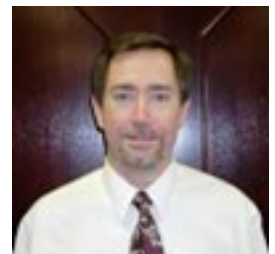
For the second year in a row, Wisconsin lenders lead the nation in utilization of the USDA Rural Development Business and Industry (B&I) Loan Guarantee program. In 2009, the program provided loan guarantees to WI lenders on loans to 32 businesses in the amount of \$133 million.. Heartland Business Bank has been a top lender in use of the B&I program over the last several years.

The benefits of the program can be maximized by the business (borrower) when they use the program for long-term financing of their fixed assets such as land, buildings, and equipment. The loan guarantee enables lenders to provide longer repayment terms and requires loans to be fully amortized; that is, the program prohibits balloon payments or renewable loans with maturity dates less than the amortization term. The guarantee also enables lenders more flexibility of interest rates, interest rate structures (variable and fixed interest rates) and greater leveraging of collateral. The bottom line is that these credit enhancements benefit the borrower’s cash flow by reducing cash outflow for repayment of debt.

Loan funds must be used to finance facilities located in rural areas. Ineligible (non-rural) areas are areas within the corporate boundary of cities with populations exceeding 50,000 and the urbanized areas contiguous to these cities.

Loan guarantee requests up to \$10 million are processed and approved at the WI Rural Development State Office in Stevens Point. The WI Rural Development State Office provides direct service to all lenders in WI and works closely with lenders and borrowers in establishing credit facilities appropriate to the business’s needs.

This edition’s guest contributor is Mark Brodziski. He is the Business & Community Program Director with USDA Rural Development out of Stevens Point, Wisconsin. Administration USDA Rural Development programs consist of guaranteed loans, direct loans, and grants for the financing of businesses and economic development initiatives, community facilities and community infrastructure.



Heartland Business Bank

A Branch of Wisconsin Community Bank-Member FDIC

www.thehbb.com

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FEATURED CLIENTS



The **Menominee Indian Gaming Authority (MIGA)**, located in Keshena, Wisconsin, is expanding. Jim Reiter, general manager of MIGA, is pleased to announce they have broken ground on a \$23.5 million dollar hotel renovation and convention center addition project with the assistance of Heartland Business Bank. The conference center will have a large ballroom that has a capacity for up to 800 guests and five breakout rooms. Also part of the project is a large pool with a cabana bar and waterfall. By renovating the 100 room hotel, AAA will upgrade the hotel from a 2-star status to a 3½-star status. A non-smoking gaming area is also being added with more than 100 slot machines. The hotel will remain open during the construction which should be complete by autumn, 2010.

The casino opened in 1987 and the hotel in the mid-1990's. These improvements will enable MIGA to indeed meet its goal of becoming a full-fledged resort. Jim (pictured center-right above with lender Craig Aderhold, center-left) and his team would love to help you plan your next event. Please see www.menomineecasionresort.com for further details on a venue for you!

CONGRATULATIONS WISCONSIN ALUMINUM FOUNDRY!



Wisconsin Aluminum Foundry was honored recently at the 10th annual Manufacturing Awards of Distinction celebration held in November at the KI Center in Green Bay. WAF received the top award in the large company category (300-750 employees). The awards celebration annually honors companies based on size from an eight county region in northeast Wisconsin. Keynote speaker, Dick Leinenkugel, Wisconsin DOC secretary, presented the award to WAF. Founded in 1909, WAF celebrated their 100th anniversary in 2009. The Manitowoc based company manufactures non-ferrous castings along with its proprietary line of pressure cookers and aluminum cookware. Congratulations WAF on receiving this well deserved award and for your 100 years of success!

Parallel 44 Vineyard & Winery was recently awarded the Entrepreneurial Award presented by the Green Bay Area Chamber of Commerce. Maria Milano and her husband, Steve Johnson, started their cool climate vineyard in 2005 with the planting of over 5000 cool hardy grape vines, including varieties such as Marechal Foch, Frontenac, Louise Swenson, La Crosse, St. Croix, Vignoles and Seyval. These unique grape varieties are what define the unique flavors of their wines, and give customers a true taste of the "terroir" of Northeast Wisconsin and the Upper Midwest.



Steve and Maria opened their winery and tasting room in May of 2007 where customers are welcome on a daily basis to see their production facility, stroll the vineyard and taste their wines. Since opening in 2007, Parallel 44 wines have been recognized and received medals in many international competitions, including a Double Gold Medal on one of the estate wines and numerous Gold Medals.

Parallel 44 wines can be purchased at the winery, located 15 minutes east of Green Bay (just over the Kewaunee County border) and also through many retailers across Wisconsin. For more information about Parallel 44 see their website at www.parallel44.com. Make your next wine purchase from Parallel 44 -- you won't be disappointed!

FEATURED EMPLOYEE



Tom Steinhaus, Manager of Credit Underwriting/Government Guaranteed Loans has been named an Officer of the bank. In this position, Tom oversees the credit underwriting and government guaranteed lending and servicing for the bank.

Tom joined Heartland Business Bank in 2002 and has over 10 years of banking experience in the areas of commercial credit underwriting and government guaranteed lending. He earned a Bachelor of Arts Degree in Economics from UW-Madison.

Active in the community, Tom is currently on the Board of the UW Alumni Club of Sheboygan County, Sheboygan County Leadership Institute – Curriculum Committee and a Coastal Connections member.

Tom and his wife Jennifer reside in Sheboygan Falls.

CONTACT INFORMATION

- Sheboygan, WI 800-793-6001 or 920-803-6000
- Green Bay, WI 877-983-5001 or 920-983-5000

We appreciate your comments! If you would prefer to receive our "Business Update" via e-mail or to be taken off the mailing list, please call toll free 1-877-983-5001, fax (920) 983-2980 or e-mail: partner@thehbb.com