



Community Development Authority Board of Directors Meeting (In-Person & Virtual)

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190
*In Person and Virtual

Thursday, August 15, 2024 - 5:30 PM

**Citizens are welcome (and encouraged) to join our webinar via computer, smart phone, or telephone.
Citizen participation is welcome during topic discussion periods.**

Please click the link below to join the webinar:

https://us06web.zoom.us/j/85405680665?pwd=u4lflrOVZyE6w0cHHUDLyN4UjJGJWg.qoJNuDF_vWGO_e2b

Or Telephone: 1 312 626 6799 US (Chicago)

Webinar ID: 854 0568 0665

Passcode: 711528

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

AGENDA

CALL TO ORDER

ROLL CALL

DECLARATION OF CONFLICT OF INTEREST. Would any Member of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda?

APPROVAL OF AGENDA

A Board Member can choose to remove an item from the Agenda or rearrange its order; however, introducing new items to the Agenda is not allowed. Any proposed changes require a motion, a second, and approval from the Board to be implemented. The Agenda shall be approved at each meeting even if no changes are being made at that meeting.

HEARING OF CITIZEN COMMENTS

No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the Agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

APPROVE MINUTES

1. Approval of the Minutes of the July 18, 2024 CDA Board Meeting.

FINANCIAL STATEMENTS

2. Review and acknowledge Financial Statements for period ending July 31, 2024.

ACTION ITEMS

3. Discussion and possible action regarding the 108 West Main Street Property (EDD Zeinert)
4. Discussion and Possible Action Regarding Potential WindUp 2025 (EDD Zeinert)
5. Consideration and possible action with regard to Affordable Housing Fund Down Payment Assistance Loan Application No. 2024-002 for the purchase of 371 S. Janesville Street. (EDD Zeinert)
6. Consideration and possible action with regard to Affordable Housing Fund Down Payment Assistance Loan Application No. 2024-003 for the purchase of 303 South Whiton Street. (EDD Zeinert)
7. Discussion and possible action with regard to status of CDA Loan to Recruitcute, Inc. in the amount of \$50,000.00. (Finance Director Blicht)

CONSIDERATIONS / DISCUSSIONS / REPORTS

8. Staff Update Regarding Modular Home Introduction (NRS Real Estate)
9. Staff Update Regarding Status of Scanalytics Loan and Slipstream Loan (Finance Director Blicht)
10. Staff Update Regarding Legal Action Against Fine Food Arts d/b/a The Black Sheep (EDD Zeinert)
11. Economic Development Director Report (EDD Zeinert)

EXECUTIVE SESSION. Adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Item to be discussed:

12. Discussion and possible action regarding BaristaCats Cafe allocation of funds under the WindUp Program. (EDD Zeinert)

RECONVENE TO OPEN SESSION

Reconvene to Open Session to take action on Closed Session Item.

13. Possible action regarding BaristaCats Cafe allocation of funds under the WindUp Program. (EDD Zeinert)

FUTURE AGENDA ITEMS

14. Staff Update Regarding status of Inventalator Loan f/k/a Ideawake (Finance Director Blich)
15. Staff Report- How to do a TIF Calculation
16. Cost of Amending a TIF District
17. Updates to Rules of Procedure Handbook
18. Updates to Revolving Loan Program
19. Updates to Facade Loan Program

ADJOURNMENT

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.



Community Development Authority Board of Directors Meeting (In-Person & Virtual)

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190
*In Person and Virtual

Thursday, July 18, 2024 - 5:30 PM

MINUTES

CALL TO ORDER

Vice-Chair Kromholz called the meeting to order at 5:30 p.m.

ROLL CALL

PRESENT: Joe Kromholz, Jon Kachel, Neil Hicks, Christ Christon, Jeff Knight, Greg Majkrzak (entered late virtually). ABSENT: Thayer Coburn.

STAFF PRESENT: Taylor Zeinert (CDA Director), Bonnie Miller (CDA Administrative Assistant).

OTHERS: Rick Manthe, Esq. (CDA Legal Counsel).

DECLARATION OF CONFLICT OF INTEREST. None.

APPROVAL OF AGENDA

Moved by Board Member Hicks to amend the Agenda to take up Items 15 and 16 immediately before Item 7; seconded by Jeff Knight. Motion was approved by unanimous voice vote (5). Moved by Board Member Hicks to approve the Agenda as amended; seconded by Board Member Kachel. Motion passed by unanimous voice vote (5).

HEARING OF CITIZEN COMMENTS

None.

APPROVAL OF MINUTES

Moved by Board Member Hicks to approve the 06-20-2024 Minutes of the CDA Board Meeting; seconded by Board Member Kachel. Motion passed by unanimous voice vote (5).

Moved by Board Member Knight to approve the 07-02-2024 Minutes of the CDA Special Meeting; seconded by Board Member Hicks. Motion passed by unanimous voice vote (5).

ACKNOWLEDGE FINANCIAL STATEMENTS

Moved by Board Member Hicks to acknowledge the CDA Financial Statements for period ending 06-30-2024; seconded by Board Member Kachel. Motion passed by unanimous voice vote (5).

ACTION ITEMS

4. **Consideration and Possible Action regarding Memorandum of Understanding for the Innovation Center (Attorney Manthe).** Attorney Manthe introduced himself to the Board and summarized some revisions that he made that were merely stylistic and intended to clarify rather than to change the intent. Attorney Manthe recommended the MOU in its current form for approval by the Board. Moved by Board Member Kachel to approve the

MOU as presented; seconded by Board Member Christon. Motion passed by roll call vote. AYES: Knight, Hicks, Kachel, Kromholz, Christon; NOES: None; ABSENT: Coburn, Majkrzak.

5. **Discussion and possible action regarding updates to the Conflict of Interest Policy (EDD Zeinert).** CDA Director summarized the current Conflict of Interest Policy contained in the Rules of Procedure Manual approved by the CDA on 04/28/2022. Board Member Kachel requested updated information regarding the City's D & O insurance policy. Moved by Board Member Hicks to table Item 5 to a future meeting; seconded by Board Member Kromholz. Motion passed by unanimous voice vote (5).
6. **Consideration and Possible Actions regarding 108 West Main Street.** CDA Director Zeinert updated the Board regarding the considerations present at the 108 West Main Street building owned by the CDA, including water damage from a leak in the roof and the existence of a family of racoons that are in the building. Director Zeinert called their attention to the two proposals in the packet regarding repair to the roof and recommended moving forward with the lowest bid from Badgerland Roofing. Director Zeinert pointed out that the building is located in a flood plain and is subject to a limitation by the Department of Natural Resources as to a maximum expenditure of \$67,000. Board Member Hicks asked if the building had been inspected prior to purchase by the CDA. Ms. Miller called attention to the report in the packet completed by the City Building Inspector noting any notable conditions affecting the building. Ms. Miller also informed the Board that Contractor Russell Walton examined the building and found a weakness in a structural wall in the basement and submitted a proposal at approximately \$20,000 to repair the wall. Vice Chair Kromholz moved to table this agenda item until next month pending a report from Staff as to the total cost of bringing the building up to code so as to allow the Board to make an informed decision as to disposition or possible repair and proposed use of the building; seconded by Board Member Knight. Motion passed by unanimous roll call vote. AYES: Hicks, Kromholz, Christon, Kachel, Knight. NOES: None. ABSENT: Coburn, Majkrzak.

CONSIDERATIONS / DISCUSSIONS / REPORTS

15. **Staff Update Regarding WindUp Feedback.** Director Zeinert stated that she met with WindUp participants after the competition was over and summarized both positive and negative feedback she received from participants. Following questions from the Board, the consensus of the Board was to make some changes to the criteria of the program with the intent to improve a potential WindUp 2025.
16. **Presentations by WindUp Winners (Barista Cats Cafe and Stellar Vintage).** Director Zeinert provided a brief introduction of the first and second place WindUp contestants, followed by presentations by Natalie Serna, Owner of BaristaCats Café, and Holly Barnett and Alyssa Dobbs, Partners/Owners of Stellar Vintage Clothing.
7. **Staff Update regarding potential for collection of funds with regard to Meeper LLC Loans.** Attorney Rick Manthe (CDA legal counsel) stated that after reviewing the material presented by Finance Director Blitch, he felt that at this time, there appeared to be a low likelihood of recovering any funds from Meeper LLC or Liz Eversoll. Vice Chair Kromholz

asked Board Member Knight, who was on the CDA Board at the time the loans were granted, if anyone at that time say that they held an ownership or financial interest in Meeper groups or Ms. Eversoll's businesses. Board Member Knight stated that different businesses in town had invested, so the answer was "yes" but he could not state who they were. Vice Chair Kromholz next asked Board Member Knight if any members of the Board at the time that were investors to your knowledge. Board Member Knight stated that he was not sure, but he thought that if there was, they never voted in favor of any of the loans or the grants. Board Member Knight recalled a couple Board Members removed themselves and did not vote on the loans. Board Member Kachel asked if the CDA had used an attorney at the time. Board Member Knight provided a summary of how the program was set up through the WEDC and that Pat Cannon was Director of the CDA at the time and that the State referred Liz Eversoll to Whitewater. Vice Chairman Kromholz asked again if the CDA was represented by legal counsel. Board Member Knight stated that Mitch Simon was attorney for the CDA at the time. Ms. Miller, having worked for Attorney Simon at the time, provided her recollection of the fact that Attorney Simon advised at the time that the CDA not to participate in the Capital Catalyst Program and did no legal work for the CDA for that program. Attorney Manthe summarized by recommending that the CDA do an evaluation regarding if they want to do loans going forward and making sure that proper documentation is done to secure the CDA's interest. Board Member Knight questioned where or not there was any money left in the Capital Catalyst Fund. Ms. Miller confirmed from the Financial Statements presented in the packet that there was currently a balance of \$120,450.68 in the Capital Catalyst Fund, most of which came back as full repayment of loans to Blue Line Battery.

8. **Staff Update and discussion regarding the Rules of Procedures Manual.** Director Zeinert stated that Staff is working on the Rules of Procedures Manual and will bring this matter back to the CDA at a future meeting.
9. **Staff Update on the But For Worksheet.** Director Taylor included this item at the request of the City Manager for purposes of sharing the "But For" Worksheet implemented by City Staff in reviewing and evaluating requests for TIF assistance with regard to all project proposals brought forward to the City.
10. **Staff Update Regarding Draft of Technology Park Covenants.** Director Zeinert stated that the Draft of the Technology Park Covenants were never voted on. Board Member Kachel asked if they were recorded with the County. Ms. Miller stated that the Covenants were not recorded with the Register of Deeds for Walworth County and are not attached of record to any of the Tech Park lots. Board Member Knight stated that he recalled that both the CDA and Common Council had voted on the Covenants.

[Note that Greg Majkrzak entered the meeting at this point in the meeting.]
11. **Staff Update on Home Buying 101Event.** Director Zeinert stated that at the request of the body, Staff is working on a Home Buying 101 event to be held in October which will include a presentation regarding the City's Affordable Housing Fund Policy and a presentation from Roxanne Witte from Jefferson County regarding assistance available through County programs.

12. **Staff Update Regarding Developer Meet and Greet.** Director Zeinert is working on a meet and greet for developers at the Innovation Center on November 1, 2024 with staff present to walk them through the development process in Whitewater, including a map reflecting available vacant land in Whitewater. Local Banks will be present to provide information regarding their respective home loan programs.
13. **Staff Report Regarding Food Truck Fest.** Director Zeinert reported that staff is in the process of organizing a Food Truck Fest to be held at Cravath Lakefront Park on Saturday, September 14, 2024 from 11:00 a.m. to 7:00 p.m. There are 26 available spaces and 16 slots are filled at this time. Board Member Knight suggested doing a "Taste of Whitewater" as another possible future event.
14. **Economic Development Director Update.**
 Director Zeinert reported that the strategic goals outlined by the CDA to complete 25 Business Retention and Expansion (BRE) Visits within one calendar year. As of this date, Staff has completed 19 BRE Visits, with 5 more scheduled, putting us well on target well in advance to meet that goal.

 We have had a series of start-up related businesses come forward that were not connected to the WindUp, but had heard about the WindUp and decided to check out Whitewater. Jon Kachel would like to see more visits to industries in the Industrial Park. Jeff Knight would like to see a report summarizing general responses received at these visits.

EXECUTIVE SESSION

Moved by Board Member Knight and seconded by Board Member Hicks to adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Item to be discussed: (17.) Consideration and possible action regarding WindUp financial allocates. Motion passed by roll call vote. AYES: Kachel, Knight, Hicks, Christon, Majkrzak, Kromholz; NOES: None; ABSENT: Coburn.

RECONVENE INTO OPEN SESSION. Moved by Board Member Kachel and seconded by Board Member Hicks to reconvene to Open Session. Motion passed by unanimous voice vote.

18. **Possible action regarding WindUp financial allocations.** Moved by Vice Chair Kromholz to allocate funds to BaristaCats Café at an initial funding level of \$57,000 provided that BaristaCats Café enter into the proposed contract with the CDA with the proviso that the remaining ask may be increased up to a total amount of \$71,153.92 if at least two remodel contractor quotes are obtained by BaristaCats. Motion seconded by Board Member Majkrzak. Motion passed by roll call vote. AYES: Hicks, Kachel, Kromholz, Christon, Majkrzak. NOES: Knight. ABSENT: Coburn.

Moved by Vice Chair Kromholz to approve the full amount of the request of Stellar Vintage for \$33,302.83 provided that Stellar Vintage enters into the proposed contract with the CDA; seconded by Board Member Hicks. Motion passed by roll call vote. AYES: Majkrzak, Hicks, Christon, Kromholz, Knight, Kachel. NOES: None. ABSENT: Coburn.

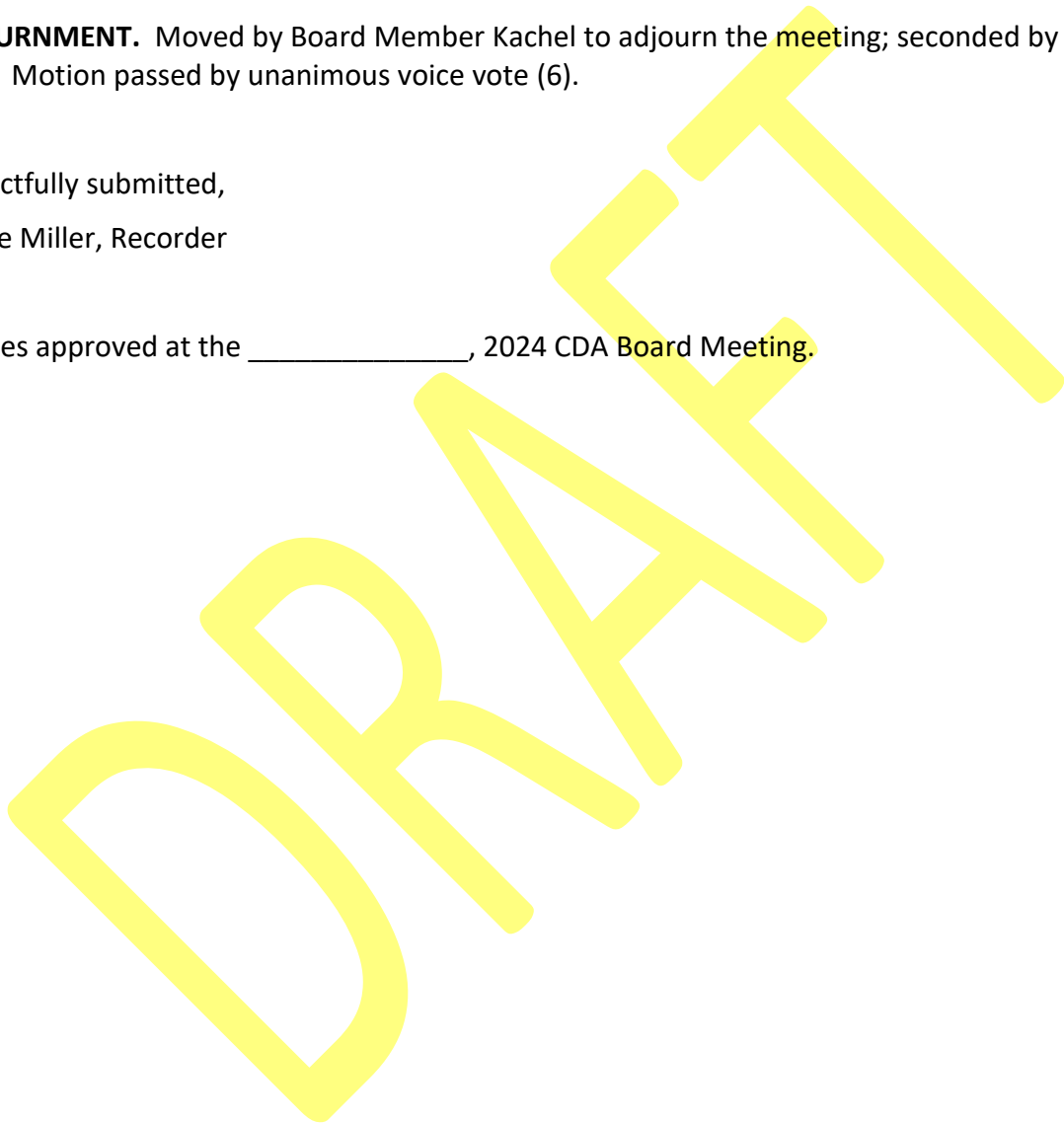
FUTURE AGENDA ITEMS

- 19. Update regarding ongoing litigation, if any.
- 20. Update regarding status of Scanalytics Capital Catalyst Loan.
- 21. Cost of amending a TIF District.
- 22. WindUp 2025.
- 23. Jeff Knight would like to see an additional presentation regarding the 90% calculation.

ADJOURNMENT. Moved by Board Member Kachel to adjourn the meeting; seconded by Board Member Hicks. Motion passed by unanimous voice vote (6).

Respectfully submitted,
Bonnie Miller, Recorder

Minutes approved at the _____, 2024 CDA Board Meeting.



CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2024

Item 2.

ECONOMIC DEVELOPMENT FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET	
<u>OTHER FINANCING SOURCES</u>						
900-49265-56	TRANSFER TID #4 AFFORD HOUSING	.00	50,000.00	50,000.00	.00	100.0
900-49266-56	TRANSFER TID #11-ADMIN	.00	.00	25,000.00	25,000.00	.0
900-49267-56	TRANSFER TID #12-ADMIN	.00	.00	25,000.00	25,000.00	.0
900-49269-56	TRANSFER TID #14-ADMIN	.00	25,000.00	25,000.00	.00	100.0
900-49270-56	TRANSFER TID #10-ADMIN	.00	22,500.00	22,500.00	.00	100.0
900-49290-56	GENERAL FUND TRANSFER	.00	32,500.00	32,500.00	.00	100.0
900-49300-56	FUND BALANCE APPLIED	.00	.00	23,003.03	23,003.03	.0
	TOTAL OTHER FINANCING SOURCES	.00	130,000.00	203,003.03	73,003.03	64.0
	TOTAL FUND REVENUE	.00	130,000.00	203,003.03	73,003.03	64.0

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2024

Item 2.

ECONOMIC DEVELOPMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA</u>						
900-56500-111	SALARIES	10,809.18	70,698.93	121,050.02	50,351.09	58.4
900-56500-151	FRINGE BENEFITS	2,007.43	12,985.20	38,265.63	25,280.43	33.9
900-56500-210	PROFESSIONAL DEVELOPMENT	.00	1,915.00	3,535.00	1,620.00	54.2
900-56500-211	CONSULTANT FEES	.00	10,867.23	.00	(10,867.23)	.0
900-56500-212	LEGAL SERVICES	1,005.00	1,798.50	12,625.00	10,826.50	14.3
900-56500-215	PROFESSIONAL SERVICES	1,775.00	8,003.50	2,525.00	(5,478.50)	317.0
900-56500-222	COUNTY/REGIONAL ECON DEV	.00	11,019.00	11,000.00	(19.00)	100.2
900-56500-223	MARKETING	.00	6,402.14	2,525.00	(3,877.14)	253.6
900-56500-224	SOFTWARE/HARDWARE MAINTENANCE	753.65	1,495.83	3,590.71	2,094.88	41.7
900-56500-225	TELECOM/INTERNET/COMMUNICATION	118.92	946.62	1,991.17	1,044.55	47.5
900-56500-310	OFFICE & OPERATING SUPPLIES	538.62	2,007.44	606.00	(1,401.44)	331.3
900-56500-311	POSTAGE	.00	18.56	202.00	183.44	9.2
900-56500-320	DUES	.00	.00	1,000.00	1,000.00	.0
900-56500-325	PUBLIC EDUCATION	.00	215.00	50.50	(164.50)	425.7
900-56500-330	TRAVEL EXPENSE	476.31	1,127.80	3,737.00	2,609.20	30.2
900-56500-341	MISC EXPENSE	.00	.00	300.00	300.00	.0
	TOTAL CDA	17,484.11	129,500.75	203,003.03	73,502.28	63.8
	TOTAL FUND EXPENDITURES	17,484.11	129,500.75	203,003.03	73,502.28	63.8
	NET REVENUE OVER EXPENDITURES	(17,484.11)	499.25	.00	(499.25)	.0

Report Criteria:

Report type: GL detail

Invoice Detail.GL account = 9001000000-9009999999,9101000000-9109999999

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Notes	Description	Invoice Number	Invoice GL Account	Invoice Amount
900									
07/24	07/10/2024	97061	8	UW WHITEWATER		ROOM RENTAL FOR HOME BUYING 101 CLASSES	40423	900-56500-215	200.00
07/24	07/18/2024	97087	6643	REDEVELOPMENT RESOURCE		PROFESSIONAL SERVICES-CDA	1069	900-56500-215	1,575.00
07/24	07/23/2024	900171	8487	US BANK	JEREMIAH THOMAS-STAFF	STELLAR VINTAGE WORK	JULY 2024	900-56500-212	703.50
07/24	07/23/2024	900171	8487	US BANK	JEREMIAH THOMAS-STAFF	GENERAL CDA LEGAL WORK	JULY 2024	900-56500-212	234.50
07/24	07/23/2024	900171	8487	US BANK	JEREMIAH THOMAS-STAFF	NEUMANN DEV AGREEMENT WORK	JULY 2024	900-56500-212	67.00
07/24	07/23/2024	900171	8487	US BANK	JEREMIAH THOMAS-WAVE -	2024 EASY CIP RENEWAL	JULY 2024	900-56500-224	236.25
07/24	07/23/2024	900171	8487	US BANK	TIM NEUBECK-ADOBE *AD	CDA Adobe License	JULY 2024	900-56500-310	88.09
07/24	07/23/2024	900171	8487	US BANK	TAYLOR ZEINERT-AMAZON	Frames	JULY 2024	900-56500-310	36.36
07/24	07/23/2024	900171	8487	US BANK	TAYLOR ZEINERT-STARBUCK	Coffee with UWW COS	JULY 2024	900-56500-310	8.12
07/24	07/23/2024	900171	8487	US BANK	SARA MARQUARDT-SURVE	Survey Monkey Subscription-Econ Dev Portion	JULY 2024	900-56500-310	300.00
07/24	07/23/2024	900171	8487	US BANK	JEREMIAH THOMAS-SOUTH	RFP FOR LEGAL SVCS NOTICE	JULY 2024	900-56500-310	83.88
07/24	07/23/2024	900171	8487	US BANK	TAYLOR ZEINERT-MCDONA	Lunch when driving to Conference	JULY 2024	900-56500-330	9.06
07/24	07/23/2024	900171	8487	US BANK	TAYLOR ZEINERT-THE LISM	Hotel for Conference	JULY 2024	900-56500-330	157.09
07/24	07/23/2024	900171	8487	US BANK	TAYLOR ZEINERT-THE LISM	Breakfast at Conference	JULY 2024	900-56500-330	8.44
Total 900:									3,707.29
910									
07/24	07/18/2024	97082	3800	LAND-MARK SURVEYING		212 E MAIN ST SURVEY	4505	910-56500-219	1,260.00
Total 910:									1,260.00
Grand Totals:									4,967.29

**CITY OF WHITEWATER
BALANCE SHEET
JULY 31, 2024**

Item 2.

ECONOMIC DEVELOPMENT FUND

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>					
900-11100	CASH	31,000.08	(17,484.11)	(12,399.47)	18,600.61
900-19000	GASB 68-WRS NET PENSION ASSETS	(6,097.61)	.00	.00	(6,097.61)
900-19021	GASB 68-WRS DOR	23,154.68	.00	.00	23,154.68
900-19999	GASB 68-PENSION CLEARING ACCT	5,089.00	.00	.00	5,089.00
	TOTAL ASSETS	53,146.15	(17,484.11)	(12,399.47)	40,746.68
 <u>LIABILITIES AND EQUITY</u>					
<u>LIABILITIES</u>					
900-21100	ACCOUNTS PAYABLE	6,802.57	.00	(6,802.57)	.00
900-21106	WAGES CLEARING	6,096.15	.00	(6,096.15)	.00
900-23810	ACCRUED SICK LEAVE	639.58	.00	.00	639.58
900-29011	GASB 68-WRS DIR	12,767.45	.00	.00	12,767.45
	TOTAL LIABILITIES	26,305.75	.00	(12,898.72)	13,407.03
 <u>FUND EQUITY</u>					
900-34300	PROPRIETARY CAPITAL	26,840.40	.00	.00	26,840.40
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	(17,484.11)	499.25	499.25
	BALANCE - CURRENT DATE	.00	(17,484.11)	499.25	499.25
	TOTAL FUND EQUITY	26,840.40	(17,484.11)	499.25	27,339.65
	TOTAL LIABILITIES AND EQUITY	53,146.15	(17,484.11)	(12,399.47)	40,746.68

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2024

Item 2.

CDA PROGRAMS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>FACADE LOAN REVENUE</u>					
910-44005-00	FACADE INT-BOWER'S HOUSE \$50K	57.30	1,586.67	.00 (1,586.67)	.0
910-44006-00	FACADE INT-SHABANI INV LLC 50K	166.67	166.67	.00 (166.67)	.0
	TOTAL FACADE LOAN REVENUE	223.97	1,753.34	.00 (1,753.34)	.0
<u>ACTION LOAN REVENUE</u>					
910-46001-00	INT INC-ACTION-LRN DEPOT \$41K	53.59	672.38	655.37 (17.01)	102.6
910-46008-00	INT INC-ACTION-SAFEPRO \$100K	307.80	2,238.60	3,714.90 1,476.30	60.3
910-46010-00	INT INC-ACTION-SWSPOT/GILDE	145.50	852.81	1,659.91 807.10	51.4
	TOTAL ACTION LOAN REVENUE	506.89	3,763.79	6,030.18 2,266.39	62.4
<u>MISCELLANEOUS REVENUE</u>					
910-48103-00	INTEREST INCOME-FACADE	97.76	691.53	890.69 199.16	77.6
910-48104-00	INTEREST INCOME-HOUSING	72.45	464.23	518.42 54.19	89.6
910-48108-00	INTEREST INCOME-SEED FUND	204.04	1,542.95	750.00 (792.95)	205.7
910-48109-00	INTEREST INCOME-ACTION FUND	4,275.87	28,513.18	33,750.00 5,236.82	84.5
910-48605-00	RENTAL INCOME-CROP LEASES	.00	12,838.00	15,876.00 3,038.00	80.9
910-48700-00	GAIN ON SALE OF LAND	9,766.04	9,766.04	.00 (9,766.04)	.0
	TOTAL MISCELLANEOUS REVENUE	14,416.16	53,815.93	51,785.11 (2,030.82)	103.9
<u>OTHER FINANCING SOURCES</u>					
910-49290-00	TRANSFER FROM OTHER FUNDS	.00	.00	116,264.71 116,264.71	.0
910-49300-56	FUND BALANCE APPLIED	.00	.00	(164,080.00) (164,080.00)	.0
	TOTAL OTHER FINANCING SOURCES	.00	.00	(47,815.29) (47,815.29)	.0
	TOTAL FUND REVENUE	15,147.02	59,333.06	10,000.00 (49,333.06)	593.3

**CITY OF WHITEWATER
BALANCE SHEET
JULY 31, 2024**

Item 2.

CDA PROGRAMS FUND

		BEGINNING BALANCE		ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
910-30110	CONTRIBUTED CAPITAL	456,815.37		.00 (	181,643.84)	275,171.53
910-34300	PROPRIETARY CAPITAL	6,439,031.08		.00 (	111,222.15)	6,327,808.93
910-34400	RESERVE FOR LAND PURCHASES	238,031.94		.00	292,865.99	530,897.93
UNAPPROPRIATED FUND BALANCE:						
	REVENUE OVER EXPENDITURES - YTD	.00		12,252.05	49,039.83	49,039.83
	BALANCE - CURRENT DATE	.00		12,252.05	49,039.83	49,039.83
	TOTAL FUND EQUITY	7,133,878.39		12,252.05	49,039.83	7,182,918.22
	TOTAL LIABILITIES AND EQUITY	9,588,315.71		12,252.05	31,863.27	9,620,178.98

CDBG-HOUSING CHK-1CSB XXX450		Total Deposit	Debit	910-11600	-
HO# 1 Payment	Principal		Credit	910-14027	
HO# 11 Payoff	Principal		Credit	910-14037	
ACTION-BUS DEV-BUS PARK-XXX127		Total Deposit	Credit	910-11800	4,219.32
PAUQUETTE CENTER LOAN RECV	Principal		Debit	910-13500	(1,289.52) 07/05/2024 ACH PAYMENT
ACTION-SWSPOT/GILDEMEISTER 54K	Principal		Credit	910-13510	(613.25) 07/22/2024 ACH PAYMENT
INT INC-ACTION-SWSPOT/GILDE	Interest		Credit	910-46010-00	(145.50) 07/22/2024 ACH PAYMENT
ACTION-SAFEPRO TECH \$100K	Principal		Credit	910-13509	(1,165.20) 07/11/2024 ACH PAYMENT
INT INC-ACTION-SAFEPRO \$100K	Interest		Credit	910-46008-00	(307.80) 07/11/2024 ACH PAYMENT
ACTION-LEARNING DEPOT \$41,294	Principal		Credit	910-13501	(644.46) 07/01/2024 ACH PAYMENT
INT INC-ACTION-LRN DEPOT \$41K	Interest		Credit	910-46001-00	(53.59) 07/01/2024 ACH PAYMENT
FACADE CKING-1ST CIT- XXX442		Total Deposit	Credit	910-11702	2,115.60
FACADE-BOWERS HOUSE LLC \$50K	Principal		Credit	910-16008	(2,058.30) 07/11/2024 ACH PAYMENT
FACADE INT-BOWER'S HOUSE \$50K	Interest		Credit	910-44005-00	(57.30) 07/11/2024 ACH PAYMENT
FACADE-SHABANI INV LLC \$50K	Principal		Credit	910-16009	(136.32) 07/15/2024 ACH PAYMENT
FACADE INT-SHABANI INV LLC 50K	Interest		Credit	910-44006-00	(166.67) 07/15/2024 ACH PAYMENT
LEGAL/PROFESSIONAL/MARKETING				910-56500-212	6,658.75 HO #22 Loan
CDBG HOUSING-HO#22				910-14041	(6,658.75) HO #22 Loan
LEGAL/PROFESSIONAL/MARKETING				910-56500-212	300.00 Black Sheep Loan Work
LEGAL/PROFESSIONAL/MARKETING				910-56500-212	525.50 Bluff Rd Property Work
LEGAL/PROFESSIONAL/MARKETING				910-56500-212	284.04 216 E Main RFP Requests
RENTAL & PROPERTY EXPENSES				910-56500-408	18.87 126 N Jefferson 05-2024 Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	97.19 108 W Main 05-2024 Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	94.37 216 E Main 05-2024 Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	300.00 126 N Jefferson Mowing
ACTION-BUS DEV-BUS PARK-XXX127				910-11800	(1,619.97) Cash Transactions
PROFESSIONAL SERVICES				910-56500-219	1,260.00 /A323600002 1212 E BLUFF RD SURVEY
RENTAL & PROPERTY EXPENSES				910-56500-408	15.00 /A323600002 1212 E BLUFF RD WIRE FEE
GAIN ON SALE OF LAND				910-48700-00	(9,766.04) /A323600002 1212 E BLUFF RD SALE
LAND				910-18350	(15,905.96) /A323600002 1212 E BLUFF RD SALE
ACTION-LAND PURCHASE-XXX127				910-11801	(24,397.00) /A323600002 1212 E BLUFF RD SALE

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JULY 31, 2024

Item 2.

CDA PROGRAMS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA PROGRAMS</u>					
910-56500-212 LEGAL/PROFESSIONAL/MARKETING	1,109.54	6,392.04	5,000.00	(1,392.04)	127.8
910-56500-219 PROFESSIONAL SERVICES	1,260.00	1,747.50	5,000.00	3,252.50	35.0
910-56500-408 RENTAL & PROPERTY EXPENSES	525.43	2,153.69	.00	(2,153.69)	.0
TOTAL CDA PROGRAMS	2,894.97	10,293.23	10,000.00	(293.23)	102.9
TOTAL FUND EXPENDITURES	2,894.97	10,293.23	10,000.00	(293.23)	102.9
NET REVENUE OVER EXPENDITURES	12,252.05	49,039.83	.00	(49,039.83)	.0

**CITY OF WHITEWATER
BALANCE SHEET
JULY 31, 2024**

Item 2.

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE	
<u>ASSETS</u>					
910-11600	CDBG-HOUSING CHK-1CSB XXX450	14,423.58 (	6,526.30) (	6,134.52)	8,289.06
910-11702	FACADE CKING-1ST CIT- XXX442	24,867.75	2,516.35 (	22,351.40)	2,516.35
910-11800	ACTION-BUS DEV-BUS PARK-XXX127	434,973.50	6,875.22	38,318.41	473,291.91
910-11801	ACTION-LAND PURCHASE-XXX127	540,897.93	24,397.00 (	121,054.31)	419,843.62
910-11900	CAP CAT-ASSOC BK XXXXX3734	119,111.77	204.04	1,542.95	120,654.72
910-13500	PAUQUETTE CENTER LOAN RECV	111,897.28 (	1,289.52) (	9,026.64)	102,870.64
910-13501	ACTION-LEARNING DEPOT \$41,294	19,898.18 (	644.46) (	4,396.07)	15,502.11
910-13508	ACTION-FINE FOOD ARTS \$30,000	30,000.00	.00	.00	30,000.00
910-13509	ACTION-SAFEPRO TECH \$100K	99,217.10 (	1,165.20) (	8,072.40)	91,144.70
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	44,885.18 (	613.25) (	4,276.34)	40,608.84
910-14000	CDBG HOUSING-MO301	8,220.00	.00	.00	8,220.00
910-14001	CDBG HOUSING-A8416	10,203.84	.00	.00	10,203.84
910-14003	CDBG HOUSING-B935	18,420.02	.00	.00	18,420.02
910-14006	CDBG HOUSING-C932	8,062.00	.00	.00	8,062.00
910-14009	CDBG HOUSING-J8802	10,818.00	.00	.00	10,818.00
910-14011	CDBG HOUSING-M8501	11,000.90	.00	.00	11,000.90
910-14013	CDBG HOUSING-P954	11,000.00	.00	.00	11,000.00
910-14016	CDBG HOUSING-V902	12,504.15	.00	.00	12,504.15
910-14025	CDBG HOUSING-M0801	18,422.00	.00	.00	18,422.00
910-14026	CDBG HOUSING-B0803-0901	34,448.00	.00	.00	34,448.00
910-14030	CDBG HOUSING-HO#13-2016	8,000.00	.00	.00	8,000.00
910-14031	CDBG HOUSING-HO#4	37,795.00	.00	.00	37,795.00
910-14038	CDBG HOUSING-HO#14	18,000.00	.00	.00	18,000.00
910-14039	CDBG HOUSING-HO#15	36,815.00	.00	.00	36,815.00
910-14040	CDBG HOUSING-HO#18	4,235.00	.00	.00	4,235.00
910-14041	CDBG HOUSING-HO#22	.00	6,598.75	6,628.75	6,628.75
910-15000	CAP CAT-SLIPSTREAM-\$102,500	102,500.00	.00	.00	102,500.00
910-15003	CAP CAT-SLIPSTREAM-\$42,000	42,000.00	.00	.00	42,000.00
910-15006	CAP CAT- ROYAL-INVENT-27.5K	27,500.00	.00	.00	27,500.00
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	97,500.00	.00	.00	97,500.00
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	77,500.00	.00	.00	77,500.00
910-15018	CAP CAT-RECRUITCHUTE \$51,050	51,050.00	.00	.00	51,050.00
910-16008	FACADE-BOWERS HOUSE LLC \$50K	75,000.00 (	2,058.30) (	8,236.69)	66,763.31
910-16009	FACADE-SHABANI INV LLC \$50K	.00 (	136.32)	49,863.68	49,863.68
910-17002	UDAG-SLIPSTREAM-LOC	12,500.00	.00	.00	12,500.00
910-17999	UDAG-LOAN LOSS RESERVE	(12,500.00)	.00	.00 (	12,500.00)
910-18103	CDBG GRANT DUE FROM FD 610	851,866.00	.00	.00	851,866.00
910-18350	LAND	446,739.53 (	15,905.96)	34,194.56	480,934.09
910-18360	REAL ESTATE	6,128,544.00	.00	84,863.29	6,213,407.29
	TOTAL ASSETS	9,588,315.71	12,252.05	31,863.27	9,620,178.98

LIABILITIES AND EQUITY

LIABILITIES

910-22000	ACCUM DEPREC-BUILDING	1,585,394.76	.00	.00	1,585,394.76
910-25100	DUE TO GENERAL FUND	17,176.56	.00 (	17,176.56)	.00
910-26101	DEF REVENUE-FD 610-CDBG	851,866.00	.00	.00	851,866.00
	TOTAL LIABILITIES	2,454,437.32	.00 (	17,176.56)	2,437,260.76

FUND EQUITY

ACTION FUND		ORIGINAL	06/30/2024			07/31/2024	Principal Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-13500	PAUQUETTE CENTER LOAN RECV	\$158,320.00	\$104,160.16	1,289.52	0.00	\$102,870.64	\$55,449.36		Current
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$16,146.57	644.46	53.59	\$15,502.11	\$25,792.52		Current
910-13508	ACTION-FINE FOOD ARTS \$30,000	\$30,000.00	\$30,000.00	0.00	0.00	\$30,000.00	\$0.00		First pymt due 12/15/2022-Certified Demand Letter Sent 12/01/2
910-13509	ACTION-SAFEPRO TECH \$100K	\$104,360.00	\$92,309.90	1,165.20	307.80	\$91,144.70	\$13,215.30		Current
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$41,222.09	613.25	145.50	\$40,608.84	\$13,391.16		Current
910-17002	UDAG-SLIPSTREAM-LOC	\$12,500.00	\$12,500.00	0.00	0.00	\$12,500.00	\$0.00		In Default/Strive On-Still in Business
TOTALS		\$683,770.25	\$296,338.72	\$3,712.43	\$506.89	\$292,626.29	\$237,537.84	\$153,606.12	
910-13999	ACTION LOAN-LOAN LOSS RESERVE		\$0.00	0.00	0.00	\$0.00			
910-17999	UDAG-LOAN LOSS RESERVE		(\$12,500.00)	0.00	0.00	(\$12,500.00)			

FAÇADE LOAN		ORIGINAL	06/30/2024			07/31/2024	Principle Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	75,000.00	68,821.61	2,058.30	57.30	66,763.31	\$8,236.69		Current
910-16009	FAÇADE-SHABANI INV LLC \$50K	50,000.00	50,000.00	136.32	0.00	49,863.68	\$136.32		New Loan June 2024-First payment July 2024
TOTALS		\$ 75,000.00	\$ 68,821.61	\$ 2,058.30	\$ 57.30	\$ 66,763.31			

CAPITAL CATALYST		ORIGINAL	06/30/2024			07/31/2024	Payments	Amount	NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-15000	CAP CAT-SLIPSTREAM-\$102,500	\$102,500.00	\$102,500.00	0.00	0.00	\$102,500.00	\$6,275.00		interest only-last payment received 10/31/2016
910-15003	CAP CAT-SLIPSTREAM-\$42,000	\$42,000.00	\$42,000.00	0.00	0.00	\$42,000.00	\$0.00		annual net revenue royalty-no payments have been received.
910-15006	CAP CAT- ROYAL-INVENT-27.5K	\$27,500.00	\$27,500.00	0.00	0.00	\$27,500.00	\$500.00		annual net revenue royalty-only payment rec'd 08/26/2020
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	\$97,500.00	\$97,500.00	0.00	0.00	\$97,500.00	\$8,125.27		annual net revenue royalty-only payment rec'd 04/02/2019
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	\$77,500.00	\$77,500.00	0.00	0.00	\$77,500.00	\$1,386.77		First payment received -last payment rec'd 08/26/2020
910-15018	CAP CAT-RECRUITCHUTE \$51,050	\$51,050.00	\$51,050.00	0.00	0.00	\$51,050.00	\$0.00		annual net revenue royalty-no payments have been received.
TOTALS		\$601,264.00	\$601,264.00	\$0.00	\$0.00	\$398,050.00	\$117,501.04	\$102,000.00	
910-15999	CAP CAT-LOAN LOSS RESERVE		\$0.00						

HOUSING		ORIGINAL	06/30/2024			07/31/2024	NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	
910-14000	CDBG HOUSING-MO301	\$8,220.00	\$8,220.00	0.00	0.00	\$8,220.00	
910-14001	CDBG HOUSING-A8416	\$10,203.84	\$10,203.84	0.00	0.00	\$10,203.84	
910-14003	CDBG HOUSING-B935	\$18,420.02	\$18,420.02	0.00	0.00	\$18,420.02	
910-14006	CDBG HOUSING-C932	\$8,062.00	\$8,062.00	0.00	0.00	\$8,062.00	
910-14009	CDBG HOUSING-J8802	\$10,818.00	\$10,818.00	0.00	0.00	\$10,818.00	
910-14011	CDBG HOUSING-M8501	\$11,000.90	\$11,000.90	0.00	0.00	\$11,000.90	
910-14013	CDBG HOUSING-P954	\$11,000.00	\$11,000.00	0.00	0.00	\$11,000.00	
910-14016	CDBG HOUSING-V902	\$12,504.15	\$12,504.15	0.00	0.00	\$12,504.15	
910-14025	CDBG HOUSING-M0801	\$18,422.00	\$18,422.00	0.00	0.00	\$18,422.00	
910-14026	CDBG HOUSING-B0803-0901	\$34,448.00	\$34,448.00	0.00	0.00	\$34,448.00	
910-14030	CDBG HOUSING-HO#13-2016	\$8,000.00	\$8,000.00	0.00	0.00	\$8,000.00	
910-14031	CDBG HOUSING-HO#4	\$37,795.00	\$37,795.00	0.00	0.00	\$37,795.00	
910-14038	CDBG HOUSING-HO#14	\$14,671.00	\$18,000.00	0.00	0.00	\$18,000.00	
910-14039	CDBG HOUSING-HO#15	\$21,090.00	\$36,815.00	0.00	0.00	\$36,815.00	
910-14040	CDBG HOUSING-HO#18	\$4,235.00	\$4,235.00	0.00	0.00	\$4,235.00	
910-14041	CDBG HOUSING-HO#22	\$6,628.75	\$30.00	(6,598.75)	0.00	\$6,628.75	New Loan July 2024
TOTALS		\$235,518.66	\$247,943.91	\$0.00	\$0.00	\$247,943.91	
910-14999	CDBG HOUSING-LOAN LOSS RESERVE		\$0.00				
910-35000	GENERAL LOAN LOSS RESERVE		\$0.00				

Account Name	CDA Operating	Action Bus Dev (UDAG) Checking	Façade Checking	CDBG Housing	Capital Cat Checking
Fund Account Number	Fund 900	Fund 910 xxx-127	Fund 910 xxx-442	Fund 910 xxx-450	Fund 910 xxxxxx3734
Bank	1st Citizens	1st Citizens	1st Citizens	1st Citizens	Associated
Interest Rate	5.53%	5.53%	5.53%	5.53%	2.27%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
GL Balance as of:					
08/31/2023	67,781.58	942,648.10	24,437.30	14,223.37	118,220.18
09/30/2023	75,901.75	950,776.77	24,538.32	14,282.17	118,438.81
10/31/2023	60,444.07	959,259.27	24,653.15	14,349.00	118,665.14
11/30/2023	43,163.61	967,501.57	24,761.84	14,362.15	118,884.59
12/31/2023	31,000.08	975,871.43	24,867.75	14,423.58	119,111.77
01/31/2024	36,352.12	967,111.23	24,988.77	14,493.77	119,338.77
02/29/2024	14,882.76	975,482.61	25,095.73	14,555.81	119,551.53
03/31/2024	4,161.30	860,772.65	25,203.20	14,618.14	119,779.36
04/30/2024	41,597.15	868,864.87	28,799.53	14,687.31	120,000.26
05/31/2024	5,443.42	871,263.01	31,053.68	14,754.47	120,228.95
06/30/2024	36,084.72	861,863.31	0.00	14,815.36	120,450.68
07/31/2024	18,600.61	893,135.53	2,516.35	8,289.06	120,654.72
Outstanding items		-1,619.97		-6,598.75	
Current Bank Balance	18,600.61	894,755.50	2,516.35	14,887.81	120,654.72
Difference:	0.00	0.00	0.00	0.00	0.00

Monthly GL bank balances may not agree with the actual month end bank account balances due to outstanding items.

July 2024 Interest Income

ACTION-BUS DEV-BUS PARK-XXX127	910-11800	4,275.87	July 2024 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	97.76	July 2024 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	72.45	July 2024 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	204.04	July 2024 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(4,275.87)	July 2024 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(97.76)	July 2024 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(72.45)	July 2024 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(204.04)	July 2024 Interest Income



CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	Staff Concerns Regarding 108 E Main
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

BACKGROUND
(Enter the who, what, when, where, why)

As discussed at the July CDA Meeting, staff was alerted to water and animal damage at 108 E Main. Staff had assessed the situation and found clear evidence of a roof with holes in it and the presence of raccoons.

Dan Buckingham, facility staff, went onto the roof and noted that there was a small hole and a various rip in the membrane roof. Facility staff temporarily repaired the roof with a bucket of tar. In conjunction with repairing the roof, staff has removed the carpeting, turned the electricity on, and placed fans to help dry out the building. (see attached updated photos).

These fixes have greatly improved the status of the building; however, they are not long-term solutions. It is staff’s recommendation is that the roof be repaired. This cost would be under \$20,000 and would be paid out of the Action Fund Account that has a balance of over \$400,000.

As staff looks to recommend to repair the roof, please be aware that this property is in a floodplain. When you are doing renovation in a floodplain, only 50% percentage can be spent on significant renovations. In this case, our 50% percent is \$67,700. Replacing the roof would be defined as a significant renovation.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

N/A

FINANCIAL IMPACT
(If none, state N/A)

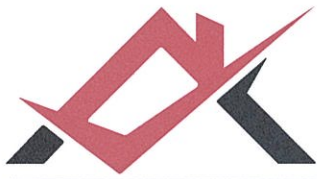
N/A

STAFF RECOMMENDATION

It is staff recommendation that you make a motion to contract with Badger Land Roofing to fix the roof at 108 E Main.

ATTACHMENT(S) INCLUDED
(If none, state N/A)

- Photos of Damages
- Photos of Roof
- Roof Replacement Estimates



ESTIMATE

City of Whitewater
Job address 108 W Main St
(Baker Building)
Whitewater, WI

RUBBER ROOFS (complete tear offs)

- Remove & dispose of old rubber & underlayment
- Remove & dispose of old decking (sheathing)
- Install all new 1/2" OSB sheathing
- Install .06 EPDM Commercial grade
- Install plates & screws
- Install russ strips & termination bars
- Install cap metal

This quote includes both rubber roofs.

TOTAL \$28,434.44

BADGERLAND ROOFING

"Wisconsin's Single-Ply Roofing Specialists"

April 8, 2024

City of Whitewater
Attn: Ms. Bonnie Miller
312 W. Whitewater Street
Whitewater, WI 53190

bmill@whitewater-wi.gov
262-473-0149

Bonnie,

The following are your estimated costs for installing a new **Duro-Last** roof system at 108 W. Main Street, Whitewater, WI

SCOPE OF WORK ~ Flat membrane roof section:

1. Prepare roof to accept **Duro-Last** roofing system:
 2. Any mechanical disconnects and/or reconnects need to be done by others (*if needed*):
 3. Install pre-made **Duro-Last** boots, stacks, and curb flashings around all roof penetrations:
 4. Install **Duro-Last** termination around entire outer perimeter:
 5. Install new **Duro-Last** flashings:
 6. Install one two-way breather vent per 1,000 deck sq. ft.:
 7. Install the entire roof system as per manufacturer specifications:
 8. **Provide a 20 year , 100% labor and material manufacturer's warranty upon completion:**
- This Proposal is good for 15 days.

TOTAL COST OF PROJECT... \$ 19,990.00

(Nineteen Thousand Nine Hundred Ninety Dollars)

If there is anything else you may need, please feel free to give us a call.

Sincerely,

Brad Miller

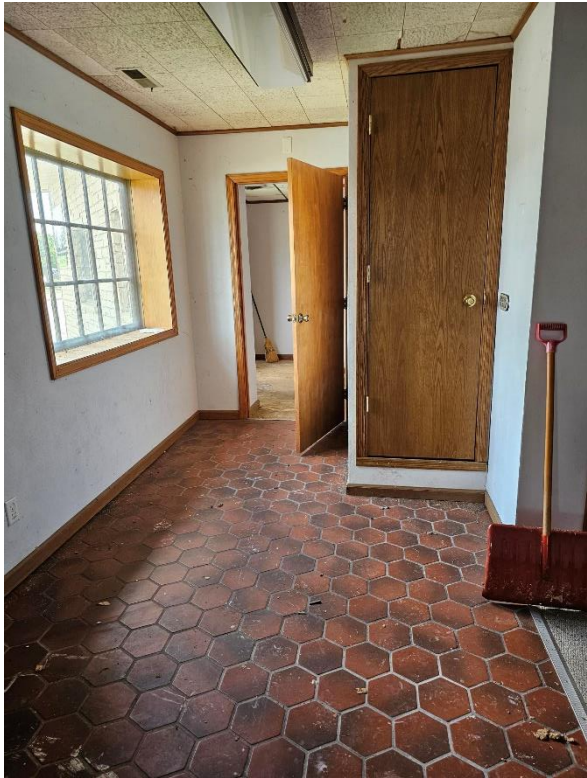
Badgerland Roofing

BM/kd

N8194 CTY RD E, Watertown, WI 53094 www.badgerlandroofing.com 920-261-9060 Fax: 920-261-8620











CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	Wind Up 2025
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

BACKGROUND
(Enter the who, what, when, where, why)

At the July 2024 meeting, the CDA discussed the outcome, commentary and feedback regarding the Whitewater WindUp. Staff is looking for direction from the CDA regarding doing a WindUp in 2025.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

N/A

FINANCIAL IMPACT
(If none, state N/A)

N/A

STAFF RECOMMENDATION

Staff recommends either the following motions or options regarding this matter:

- Motion to direct staff to move forward with pursuing the Whitewater Wind Up in 2025
- Motion to direct staff to move forward with pursuing the Whitewater Wind Up in 2026
- No Action

ATTACHMENT(S) INCLUDED
(If none, state N/A)

N/A



CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	Down-Payment Assistance Loan No. 2024-002 for Purchase of 371 South Janesville Street
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND
(Enter the who, what when, where, why)

An application was submitted to the CDA requesting a down-payment assistance loan pursuant to the City’s Affordable Housing Fund Policy in the sum of \$25,000 for the purchase of 371 South Janesville Street (Application No. 2024-002). All documentation required to support the requested loan has been received and reviewed by City Staff.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

Staff recommends approval of Down Payment Assistance Loan No. 2024-003

ATTACHMENT(S) INCLUDED
(If none, state N/A)

Copy of 2023 Tax Bill for Parcel No. /CL 00125.

CITY OF WHITEWATER
 PO BOX 690
 WHITEWATER, WI 53190

WALWORTH COUNTY - STATE OF WISCONSIN Item 5.
PROPERTY TAX BILL FOR 2023
REAL ESTATE

VINMO PROPERTIES LLC



Parcel Number: /CL 00125
Bill Number: 706994

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

706994//CL 00125
VINMO PROPERTIES LLC
N6916 GREEN LEAF CT
ELKHORN WI 53121

Location of Property/Legal Description
371 S JANESVILLE ST

LOT 8 BLK 31 CHAPMAN & LUDINGTONS ADD CITY OF WHITEWATER
 0.250 ACRES

Please inform treasurer of address changes.

ASSESSED VALUE LAND 52,100	ASSESSED VALUE IMPROVEMENTS 96,000	TOTAL ASSESSED VALUE 148,100	AVERAGE ASSMT. RATIO 0.934984564	NET ASSESSED VALUE RATE 0.01642432 <small>(Does NOT reflect credits)</small>	NET PROPERTY TAX 2362.90
ESTIMATED FAIR MARKET VALUE LAND 55,700	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 102,700	TOTAL ESTIMATED FAIR MARKET VALUE 158,400	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 281.77	
TAXING JURISDICTION	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2023 EST. STATE AIDS ALLOCATED TAX DIST.	2022 NET TAX	2023 NET TAX	% TAX CHANGE
WALWORTH COUNTY	102,309	134,946	402.56	396.25	-1.6%
City of Whitewater	3,359,828	3,947,735	933.14	1,001.28	7.3%
Whitewater Unified School Dist	6,321,035	6,257,235	993.42	941.28	-5.2%
Gateway Technical	555,985	532,685	88.40	93.63	5.9%
TOTAL	10,339,157	10,872,601	2,417.52	2,432.44	0.6%
FIRST DOLLAR CREDIT			-74.47	-69.54	-6.6%
LOTTERY AND GAMING CREDIT			0.00	0.00	0.0%
NET PROPERTY TAX			2,343.05	2,362.90	0.8%

TOTAL DUE: \$2,362.90
FOR FULL PAYMENT
PAY BY:
JANUARY 31, 2024

Warning: If not paid by due dates, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty. Failure to pay on time. See reverse.

FOR INFORMATION PURPOSES ONLY • Voter Approved Temporary Tax Increases

Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends	Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends
Whitewater Unified School Dist	384,618	71.25	2037				
Whitewater Unified School Dist	1,631,909	302.33	2027				

PAY 1ST INSTALLMENT OF: \$1,181.45
BY JANUARY 31, 2024

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

CITY OF WHITEWATER
PO BOX 690
WHITEWATER, WI 53190

PIN# /CL 00125
VINMO PROPERTIES LLC
BILL NUMBER: 706994

PAY 2ND INSTALLMENT OF: \$1,181.45
BY JULY 31, 2024

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

WALWORTH COUNTY TREASURER
100 W WALWORTH
PO BOX 1001
ELKHORN, WI 53121

PIN# /CL 00125
VINMO PROPERTIES LLC
BILL NUMBER: 706994

PAY FULL AMOUNT OF: \$2,362.90
BY JANUARY 31, 2024

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

CITY OF WHITEWATER
PO BOX 690
WHITEWATER, WI 53190

PIN# /CL 00125
VINMO PROPERTIES LLC
BILL NUMBER: 706994



INCLUDE THIS STUB WITH YOUR PAYMENT



INCLUDE THIS STUB WITH YOUR PAYMENT



INCLUDE THIS STUB WITH YOUR PAYMENT

MORTGAGE, RETENTION AND SUBORDINATION AGREEMENT

Date: _____

Mortgage Amount: _____ Dollars (\$_____).

Mortgagor: _____

Mortgagee: Community Development Authority of the City of Whitewater

Mortgagor mortgages to Mortgagee, for consideration in the amount shown above, the following parcel of land, together with all improvements and fixtures thereon ("Property").

[INSERT LEGAL DESCRIPTION].

RETURN TO:

Community Development Authority
P.O. Box 178
Whitewater, WI 53190

This mortgage is granted by Mortgagor to secure the performance of Mortgagor's obligation as set forth hereunder.

(Parcel Identification Number)

This is homestead property.

In the event of foreclosure, Mortgagee shall be entitled to elect to proceed under the accelerated redemption periods of Section 846.101 or 103, Wisconsin Statutes.

RETENTION AGREEMENT

Mortgagor's purchase of the Property was partially funded with proceeds from the City of Whitewater Affordable Housing Fund pursuant to the Affordable Housing Fund Policy 602.01 adopted by the Common Council of the City of Whitewater on July 19, 2023 ("Downpayment Assistance Loan"). Mortgagor's receipt of the funds are conditioned on Mortgagor's agreement to restrictions on Mortgagor's ability to sell, reclassify or refinance the Property for the purpose of ensuring that the funds are used for the purchase of housing which is retained as affordable housing for at least ten (10) years from the closing date (the "Retention Period"). In addition to the Downpayment Assistance Loan, Mortgagor obtained a mortgage loan from _____ ("Lender"), which loan is secured by a first mortgage lien on the Property. Accordingly, Mortgagor agrees:

1. Mortgagor shall use the Downpayment Assistance Loan to fund acquisition of the Property.
2. Mortgagee and Lender must be notified of any sale, reclassification or refinancing of the Property that occurs prior to the end of the Retention Period.



CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	Downpayment Assistance Loan Application No. 2024-003
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND
(Enter the who, what when, where, why)

An application was submitted to the CDA requesting a down-payment assistance loan pursuant to the City’s Affordable Housing Fund Policy in the sum of \$25,000 for the purchase of 303 South Whiton Street (Application No. 2024-003). This property will be the home of a family of four as first -time homeowners.

First Citizens State Bank is the primary lender offering a standard fixed-rate mortgage loan at 8.0% in an amount not to exceed \$210,000 with a downpayment of at least 10% and approval from City of Whitewater Affordable Housing Downpayment Assistance. All documentation required to support the requested loan has been received and reviewed by City Staff.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

Staff recommends approval of Down Payment Assistance Loan No. 2024-002.

ATTACHMENT(S) INCLUDED
(If none, state N/A)

- Copy of City of Whitewater Tax Bill.
- Copy of Mortgage, Retention and Subordination Agreement.

CITY OF WHITEWATER
 PO BOX 690
 WHITEWATER, WI 53190

**WALWORTH COUNTY - STATE OF WISCONSIN
 PROPERTY TAX BILL FOR 2023
 REAL ESTATE**

Item 6.

HTGS LLC

Parcel Number: /BIR 00025
 Bill Number: 706634

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

Location of Property/Legal Description
 303 S WHITON ST

LOT 16 EXC S 70' BLK 2 BIRGES ADD. CITY OF WHITEWATER

0.220 ACRES



706634/BIR 00025
 HTGS LLC
 PO BOX 194
 MCFARLAND WI 53558

Please inform treasurer of address changes.

ASSESSED VALUE LAND 38,200	ASSESSED VALUE IMPROVEMENTS 164,100	TOTAL ASSESSED VALUE 202,300	AVERAGE ASSMT. RATIO 0.934984564	NET ASSESSED VALUE RATE 0.01642432 <small>(Does NOT reflect credits)</small>	NET PROPERTY TAX 3253.10
ESTIMATED FAIR MARKET VALUE LAND 40,900	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS 175,500	TOTAL ESTIMATED FAIR MARKET VALUE 216,400	<input type="checkbox"/> A star in this box means unpaid prior year taxes.	School taxes also reduced by school levy tax credit 384.89	

TAXING JURISDICTION	2022 EST. STATE AIDS ALLOCATED TAX DIST.	2023 EST. STATE AIDS ALLOCATED TAX DIST.	2022 NET TAX	2023 NET TAX	% TAX CHANGE
WALWORTH COUNTY	102,309	134,946	549.88	541.27	-1.6%
City of Whitewater	3,359,828	3,947,735	1,274.63	1,367.71	7.3%
Whitewater Unified School Dist	6,321,035	6,257,235	1,356.97	1,285.76	-5.2%
Atwater Technical	555,985	532,685	120.75	127.90	5.9%
TOTAL	10,339,157	10,872,601	3,302.23	3,322.64	0.6%

TOTAL DUE: \$3,253.10

FOR FULL PAYMENT
 PAY BY:
JANUARY 31, 2024

Warning: If not paid by due dates, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty.
Failure to pay on time. See reverse.

**FIRST DOLLAR CREDIT
 LOTTERY AND GAMING CREDIT
 NET PROPERTY TAX**

-74.47 -69.54 -6.6%
0.00 0.00 0.0%
3,227.76 3,253.10 0.8%

FOR INFORMATION PURPOSES ONLY - Voter Approved Temporary Tax Increases

Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends	Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends
Whitewater Unified School Dist	1,631,909	412.97	2027				
Whitewater Unified School Dist	384,618	97.33	2037				

PAY 1ST INSTALLMENT OF: \$1,626.55
 BY JANUARY 31, 2024

PAY 2ND INSTALLMENT OF: \$1,626.55
 BY JULY 31, 2024

PAY FULL AMOUNT OF: \$3,253.10
 BY JANUARY 31, 2024

AMOUNT ENCLOSED _____

AMOUNT ENCLOSED _____

AMOUNT ENCLOSED _____

MAKE CHECK PAYABLE AND MAIL TO:

MAKE CHECK PAYABLE AND MAIL TO:

MAKE CHECK PAYABLE AND MAIL TO:

CITY OF WHITEWATER
 PO BOX 690
 WHITEWATER, WI 53190

WALWORTH COUNTY TREASURER
 100 W WALWORTH
 PO BOX 1001
 ELKHORN, WI 53121

CITY OF WHITEWATER
 PO BOX 690
 WHITEWATER, WI 53190

PIN# /BIR 00025
 HTGS LLC
 BILL NUMBER: 706634

PIN# /BIR 00025
 HTGS LLC
 BILL NUMBER: 706634

PIN# /BIR 00025
 HTGS LLC
 BILL NUMBER: 706634



INCLUDE THIS STUB WITH YOUR PAYMENT



INCLUDE THIS STUB WITH YOUR PAYMENT



INCLUDE THIS STUB WITH YOUR PAYMENT

MORTGAGE, RETENTION AND SUBORDINATION AGREEMENT

Date: _____

Mortgage Amount: _____ Dollars (\$_____).

Mortgagor: _____

Mortgagee: Community Development Authority of the City of Whitewater

Mortgagor mortgages to Mortgagee, for consideration in the amount shown above, the following parcel of land, together with all improvements and fixtures thereon ("Property").

[INSERT LEGAL DESCRIPTION].

RETURN TO:

Community Development Authority
P.O. Box 178
Whitewater, WI 53190

This mortgage is granted by Mortgagor to secure the performance of Mortgagor's obligation as set forth hereunder.

(Parcel Identification Number)

This is homestead property.

In the event of foreclosure, Mortgagee shall be entitled to elect to proceed under the accelerated redemption periods of Section 846.101 or 103, Wisconsin Statutes.

RETENTION AGREEMENT

Mortgagor's purchase of the Property was partially funded with proceeds from the City of Whitewater Affordable Housing Fund pursuant to the Affordable Housing Fund Policy 602.01 adopted by the Common Council of the City of Whitewater on July 19, 2023 ("Downpayment Assistance Loan"). Mortgagor's receipt of the funds are conditioned on Mortgagor's agreement to restrictions on Mortgagor's ability to sell, reclassify or refinance the Property for the purpose of ensuring that the funds are used for the purchase of housing which is retained as affordable housing for at least ten (10) years from the closing date (the "Retention Period"). In addition to the Downpayment Assistance Loan, Mortgagor obtained a mortgage loan from _____ ("Lender"), which loan is secured by a first mortgage lien on the Property. Accordingly, Mortgagor agrees:

1. Mortgagor shall use the Downpayment Assistance Loan to fund acquisition of the Property.
2. Mortgagee and Lender must be notified of any sale, reclassification or refinancing of the Property that occurs prior to the end of the Retention Period.

- 3. Except as set forth herein, if Mortgagor sells, reclassifies or vacates the Property, Mortgagor must repay to Mortgagee all of the Downpayment Assistance Loan in full.
- 4. If Mortgagor refinances the Property, provided the Property remains subject to the encumbrance created by this Agreement, then Mortgagor shall not be required to repay any portion of the Downpayment Assistance Loan at closing of the refinance transaction provided Mortgagor continues to own and occupy the Property.
- 5. The term Mortgagor shall include all Mortgagors whether one or more, and the provisions hereof for reimbursement shall not apply as long as any named Mortgagor continues to both own and occupy the Property.

SUBORDINATION AGREEMENT

Lender is Mortgagor’s primary lender for Mortgagor’s purchase of the Property and is the holder of a mortgage against the Property recorded on or about the closing date. To induce Lender to advance funds under its mortgage, Mortgagee does hereby unconditionally subordinate the lien created by this Agreement to the lien of Lender’s mortgage.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the above date.

_____(SEAL)
Mortgagor: _____

MORTGAGOR ACKNOWLEDGMENT

STATE OF WISCONSIN)
) SS
WALWORTH COUNTY)

Personally came before me this _____ day of _____, 202__, the above named _____, to me known to be the person who executed the foregoing instrument and acknowledged the same.

_____, Notary Public
Walworth County, Wisconsin
My commission expires: _____



CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	Recruit chute Inc.
Staff Contact (name, email, phone):	Rachelle Blitch, rblitch@whitewater-wi.gov , 262-473-1380

BACKGROUND
(Enter the who, what when, where, why)

As we review the outstanding loans, we are identifying which loans are recoverable and which are not. Recruit chute was granted a capital catalyst loan of \$51,500 on May 6, 2019. However, no personal guarantee was signed, and no payments have been received to date. Additionally, further investigation on the DFI website reveals that the company was administratively dissolved on June 13, 2021.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

FINANCIAL IMPACT
(If none, state N/A)

The financial impact would reduce the fund balance by the amount of the receivable (\$51,500).

STAFF RECOMMENDATION

Given the administrative dissolution of Recruit chute, the absence of a personal guarantee, and the lack of any payment history, it is recommended that the \$51,500 loan be written off as uncollectible. Writing off this loan will allow the City to close out this account and reallocate resources to more recoverable loans.

ATTACHMENT(S) INCLUDED
(If none, state N/A)

1. DFI Status Verification



State of Wisconsin Department of Financial Institutions

Search for:

recruitchute

Search Records

[Search](#)
[Advanced Search](#)
[Name Availability](#)

Corporate Records

Result of lookup for **R070243** (at 8/8/2024 12:42 PM)

RECRUITCHUTE, INC.

You can: [File an Annual Report](#) - [Request a Certificate of Status](#) - [File a Registered Agent/Office Update Form](#)

Vital Statistics

Entity ID	R070243
Registered Effective Date	05/08/2018
Period of Existence	PER
Status	Administratively Dissolved Request a Certificate of Status
Status Date	06/13/2021
Entity Type	Domestic Business
Annual Report Requirements	Business Corporations are required to file an Annual Report under s.180.1622 WI Statutes.

Addresses

Registered Agent Office CHRISTOPHER J. ROCHE
1221 INNOVATION DRIVE
WHITEWATER , WI 53190

[File a Registered Agent/Office Update Form](#)

Principal Office

Historical Information

Annual Reports	None
Certificates of Newly-elected Officers/Directors	None
Old Names	None

Chronology

Effective Date	Transaction	Processed Date	Description
05/08/2018	Incorporated/Qualified/Registered	05/08/2018	E-Form
04/01/2020	Delinquent	04/01/2020	

04/13/2021	Notice of Administrative Dissolution	04/13/2021	
06/13/2021	Administrative Dissolution	06/13/2021	

Item 7.

[Order a Document Copy](#)



CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	NRS Real Estate
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

BACKGROUND
(Enter the who, what, when, where, why)

There has been concerns regarding the cost of homes from CDA Members and community members. In response to this concern, EDD staff has looked into competitive pricing for future homes. During this research, EDD Zeinert connected with NRS Real Estate.

In May of 2024, EDD Zeinert met with Louis Gouletas and Paul Fitzpatrick, members of NRS Real Estate, about pursuing modular homes in the City of Whitewater. The homes that Louis and Paul presented to EDD Zeinert would be a great competitive housing option of the City of Whitewater.

EDD Zeinert asked Louis and Paul to appear at a CDA meeting to give a presentation about NRS Real Estate and what their version of affordable housing can look like in our Community.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS
(Dates, committees, action taken)

N/A

FINANCIAL IMPACT
(If none, state N/A)

N/A

STAFF RECOMMENDATION

N/A

ATTACHMENT(S) INCLUDED
(If none, state N/A)

NRS Presentation

NRS MODULAR Affordable / Attainable Housing

Item 8.



 **NRS Real Estate**
MANAGEMENT + DEVELOPMENT

+

11 East Partners LLC

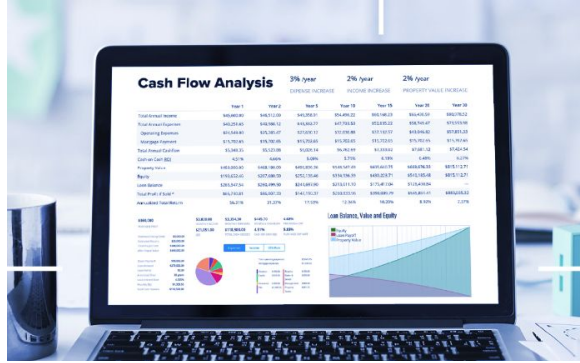
Presented by: Louis Gouletas (Lgouletas@NRSrealestate.co) & Paul Fitzpatrick (pfitzpatrick@11EastPartners.com)



Modular Development



Investment Strategy + Financial Analysis



Sales, Leasing & Property Management

Item 8.



Single Family Homes + Condo Rentals



Multifamily Apartments



Asset Management, Acquisitions + Financing





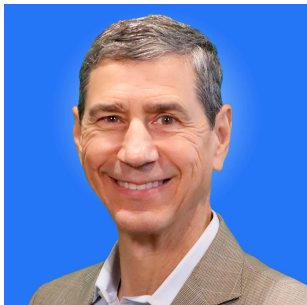
Louis R. Gouletas, MScA, CPM, CCIM

- Fourth-generation real estate developer, investor, entrepreneur and executive
- Northwestern and University of Chicago educated Real Estate Data Scientist
- Certified Commercial Real Estate Manager (CCIM) and Certified Property Manager (CPM)
- Principal / Real Estate Managing Broker (IL, WI, FL) of NRS Real Estate PLLC
- 4x Ironman Wisconsin triathlete and avid Whitewater Lake skier (Go SWU!)



Paul Fitzpatrick, BSRE

- Three decades of commercial real estate development experience throughout the Midwest
- Actively engaged in retail, residential, office, hospitality, mixed-use development, urban infill, and specialized development initiatives for many municipalities nationwide
- Several dozen architectural and CRE-industry awards
- Principal of 11 East Partners LLC ,entrepreneurial real estate company that specializes in the development, acquisition and operation of retail and mixed-use properties nationally.
- Paul is also an Evan Scholar who attended the U of W Madison with a B.S. in Real Estate. Go Badgers!”



Steven E. Gouletas, MBA, JD

- Over 30 years of development, CRE acquisition, asset management and real estate experience
- Former president of one of the largest condominium developers in the country
- Steven personally oversaw many projects nationwide and in the midwest, including the ground-up, downtown Chicago MF construction of the 50-story Sterling and the 60-story Millennium Centre
- Co-founder and President of NRS Real Estate PLLC.
- M.B.A. / J.D. from the University of Notre Dame and his B.A. from Northwestern University

MUTUAL GOAL:

Develop high quality but still attainable, new-construction single family homes

CHALLENGES:

- Construction costs (materials, labor, etc)
- Limited Instructure-ready land
- High Interest rates add even more cost

SOLUTIONS:

- Use municipal owned land
- Deploy TIFs for affordable housing efforts
- Engage with County, State + Fed. programs (buyer down payment assistance)



ACCOMPLISH AFFORDABILITY NOW WITH **MODULAR**

Off-site modular construction is often faster, cheaper, and higher quality with International Residential / Commercial Building Code (IBC) standards using the efficiency of scale and modernization of engineered, factory production.



REQUIREMENTS FOR SUCCESSFUL MODULAR DEVELOPMENT PARTNERSHIP

Item 8.



Local Code Must Accept:

- ✓ Non-metallic electrical wiring
- ✓ Non-metallic plumbing
- ✓ Ductless Mini-Splits / Heat Pumps vs HVAC
- ✓ Electricity only / non-gas
- ✓ Non-sprinkled, smoke/CO detectors only
- ✓ Waiver of on-site, “behind the wall” inspection(s) for third-party engineer approval at factory



MODULAR SINGLE FAMILY

Foundation Construction

Item 8.





MODULAR SINGLE FAMILY

Delivery, Lift and Set

Item 8.





FOR SALE MODULAR TOWNHOMES

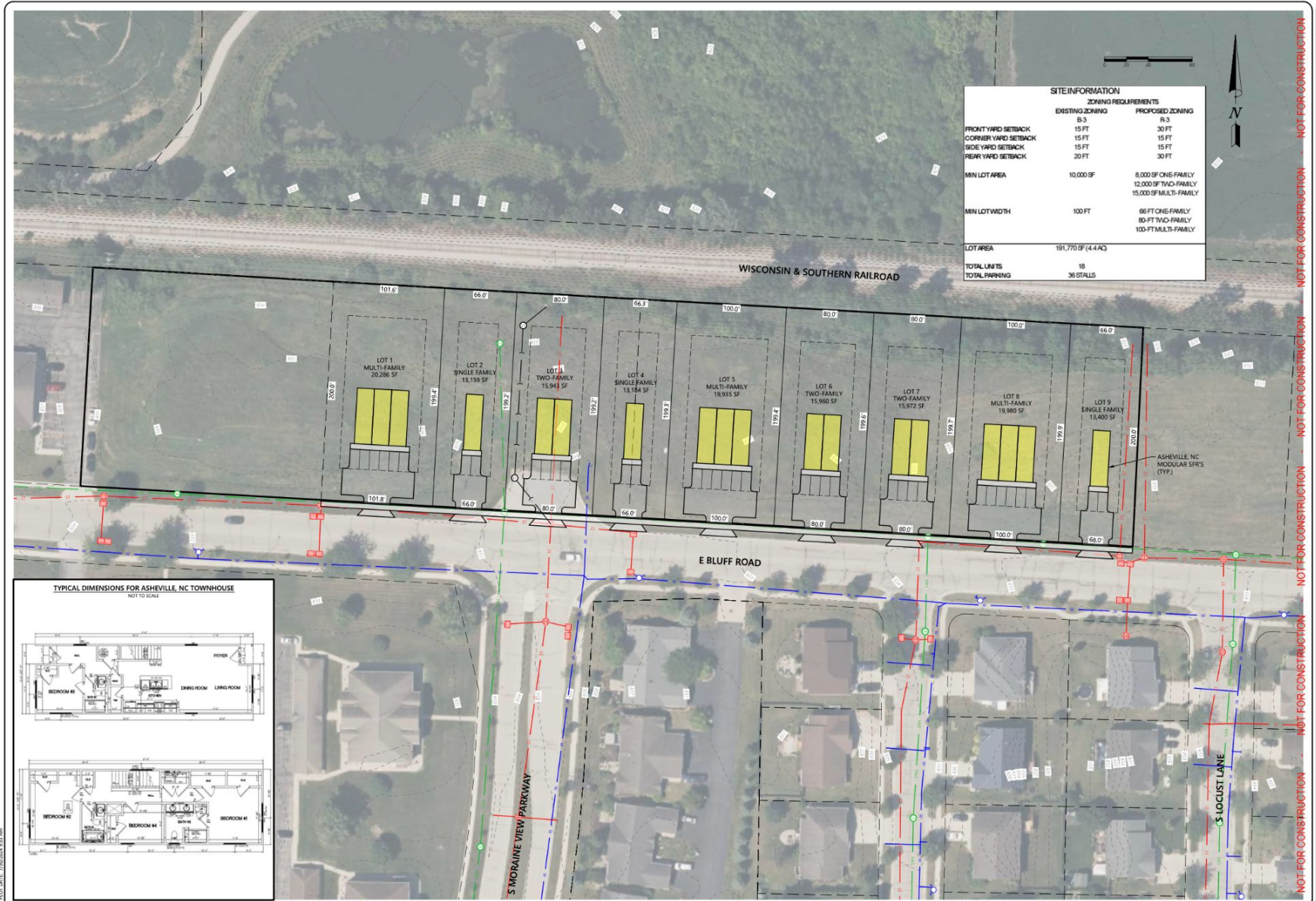
4 bedrooms, 3 full baths, 1607 sqft for under **\$300,000**



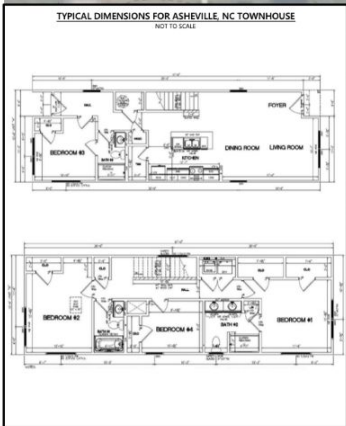


Lowest Density 18 Modular Townhomes (4/acre)

Item 8.



SITE INFORMATION		
EXISTING ZONING	R-3	PROPOSED ZONING
FRONT YARD SETBACK	15 FT	30 FT
CORNER YARD SETBACK	15 FT	15 FT
SIDE YARD SETBACK	15 FT	15 FT
REAR YARD SETBACK	20 FT	30 FT
MIN LOT AREA	10,000 SF	8,000 SF ONE-FAMILY 12,000 SF TWO-FAMILY 15,000 SF MULTI-FAMILY
MIN LOT WIDTH	100 FT	66 FT ONE-FAMILY 80 FT TWO-FAMILY 100 FT MULTI-FAMILY
LOT AREA	191,770 SF (4.4 AC)	
TOTAL UNITS	18	
TOTAL PARKING	36 STALLS	



Batterman
engineers surveyors planners
www.batterman.com

ISSUANCE	DATE
CONCEPTUAL EXHIBIT	2024.07.23

NOTE: DIMENSIONS SHOWN ARE TO BE OBTAINED BY FIELDING AND VERIFICATION OF THE DRAWING.

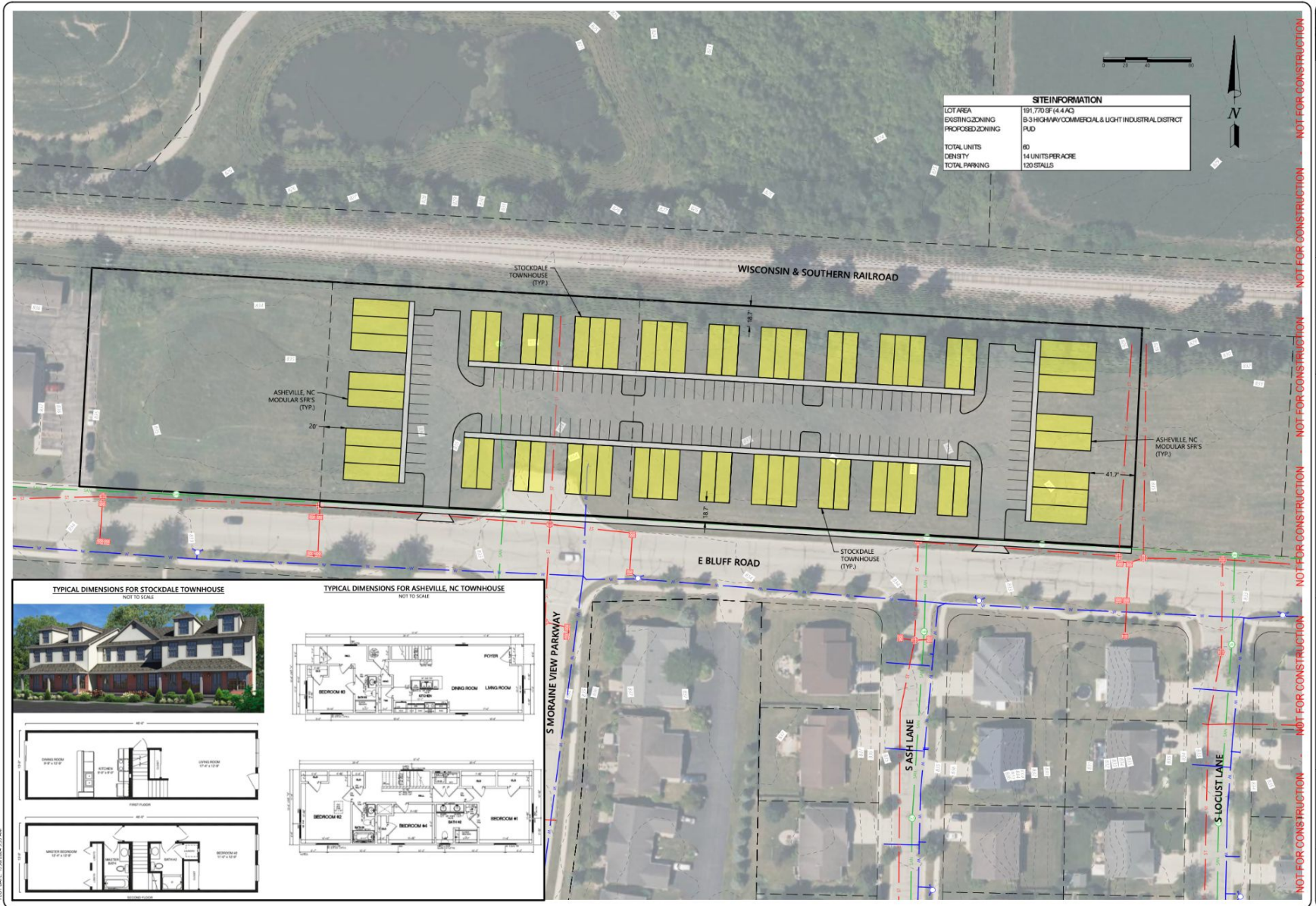
SITE LAYOUT (R-3 ZONING)

NRS REAL ESTATE & 11 EAST PARTNERS LLC
MODULAR DEVELOPMENT
CITY OF WHITEWATER
WALWORTH COUNTY, WISCONSIN

DESIGNED BY	
DRAWN BY	
CHECKED BY	
APPROVED BY	
PROJECT NO.	
SHEET NO.	

Highest Density 60 Modular Townhomes (14/a)

Item 8.



SITE INFORMATION	
LOT AREA	191,770 SF (4.4 AC)
EXISTING ZONING	B-3 HIGH WAY COMMERCIAL & LIGHT INDUSTRIAL DISTRICT
PROPOSED ZONING	PUD
TOTAL UNITS	60
DENSITY	14 UNITS PER ACRE
TOTAL PARKING	100 SPACES

TYPICAL DIMENSIONS FOR STOCKDALE TOWNHOUSE
NOT TO SCALE

TYPICAL DIMENSIONS FOR ASHEVILLE, NC TOWNHOUSE
NOT TO SCALE

NOT FOR CONSTRUCTION

DESIGNED BY: _____

DRAWN BY: _____

CHECKED BY: _____

APPROVED BY: _____

PROJECT NO: _____

SHEET NO: _____

ISSUANCE: _____

CONCEPTUAL LAYOUT: _____

SITE LAYOUT (PUD): _____

SCALE: _____

Batterman
engineers surveyors planners
www.batterman.com

1040 N. Wisconsin Dr.
Elkhorn, WI 53120
Phone: 920.222.2222
Fax: 920.222.2222

19 N. High Street
Madison, WI 53703
Phone: 608.255.4000

2387 Barkhill Drive
Madison, WI 53711
Phone: 608.255.4000

NRS REAL ESTATE & 11 EAST PARTNERS LLC
MODULAR DEVELOPMENT
CITY OF WHITEWATER
WALWORTH COUNTY, WISCONSIN

COPY/REV. 2/2016

51

THANK YOU!

Questions?

Item 8.



 **NRS Real Estate**
MANAGEMENT + DEVELOPMENT

+

11 East Partners LLC

Presented by: **Louis Gouletas** (Lgouletas@NRSrealestate.co) & **Paul Fitzpatrick** (pfitzpatrick@11EastPartners.com)



Rachelle Blitch
Director of Financial and
Administrative Services
P.O. Box 690
Whitewater, WI 53190

Item 9.

Phone: (262) 473-1380

Email: rblitch@whitewater-wi.gov

Date: August 5, 2024

To: Taylor Zeinert, Economic Development Director
Community Development Authority Board

From: Rachelle Blitch, Financial and Administrative Services Director

Re: Scanalytics and Slipstream LLC., Status

A request was made by the CDA to give an updated status on outstanding loans for Scanalytics and Slipstream LLC. I have reviewed each of their files thoroughly. Below is their background and my findings:

Scanalytics

Background

On October 26, 2015, they received a capital catalyst loan amounting to \$97,500. A secured promissory note (**Exhibit 1**) and a general business security agreement (**Exhibit 2**) were executed under the following terms: a 5-year loan at an interest rate of 4%, with all principal and interest due on the maturity date of October 26, 2020. Payments were to be made annually on the anniversary date, based on the applicable percentage of the prior four quarters' net revenues. Additionally, they were required to submit annual financial statements and maintain an office in Whitewater.

Findings

1. Scanalytics defaulted on their loan and a demand letter (**Exhibit 3**) was sent on August 8, 2018, for the full amount of \$108,630.39.
2. On August 30, 2018, an email (**Exhibit 4**) response was received from the president, Kathy Hust, providing an updated payment schedule (**Exhibit 5**), the financial reports for 2016 (**Exhibit 6**) and 2017 (**Exhibit 7**) and agreed to house their marketing group in their office at the Innovation Center.
3. On February 27, 2019, a forbearance agreement (**Exhibit 8**) was established with the following terms: the CDA agreed not to increase the interest rate to 15% unless a future triggering event occurred. Scanalytics was required to pay \$8,125.27 on or before March 15, 2019, and to relocate their marketing department to the Innovation Center on or before June 1, 2019. Additionally, Scanalytics agreed to cover all attorney fees and other expenses incurred in relation to their loan default.
4. On March 26, 2019, a payment (**Exhibit 9**) in the amount of \$8,125.27 was received.
5. No other payments or financial reports have been received to date.

Recommendations

It would be advantageous to permit the attorney to determine whether collection could be pursued and by what means. The company remains operational, and I have ordered copies of

their financial documents from the DFI website for 2017 to compare with their most recent submission (believed to be 2023) to assess their capability to repay the outstanding loan. The total Principal due is \$97,500.00 and interest due is \$90,119.63 (15% starting on 08/31/2018) total due as of 07/31/2024 is \$187,619.60.

Slipstream LLC.

Background

Slipstream LLC has a total of two outstanding loans and one line of credit. On September 4, 2013, a secured promissory note (**Exhibit 10**) and a general business security agreement (**Exhibit 11**) were executed for a capital catalyst loan amounting to \$102,500. The terms are as follows: a 2-year loan at a 4% interest rate, with all accrued but unpaid interest due on the first anniversary date. Principal payments of \$25,000 plus interest were to be made on December 31, 2014, March 31, 2015, and June 30, 2015, with the final payment of all outstanding principal and interest due on the maturity date of September 4, 2015.

On September 23, 2014, a secured promissory note (**Exhibit 12**) was obtained for a capital catalyst loan amounting to \$42,000. The terms are as follows: a 5-year loan at a 12% interest rate, with payments required to be made on the anniversary date each year based on the applicable percentage of the prior four quarters' net revenues, and the submission of annual financial statements was mandatory.

Findings

1. A memo (**Exhibit 13**) from Executive Director Pat Cannon, dated July 2, 2013, explains the initial changes that needed to be made before the loan could be finalized. Of note, he states that a personal guarantee should be obtained however, it was never followed through.
2. To investigate why a personal guarantee was not obtained, I located an email (**Exhibit 14**) from James Jackson, Slipstream's COO, to Executive Director Pat Cannon, dated July 9, 2013, in which he expressed his opposition to signing a personal guarantee. A follow-up memo (**Exhibit 15**) from Pat Cannon to James Jackson, dated the same day, explained the necessity of a personal guarantee and outlined the board's actions, along with two alternative offers that did not require a personal guarantee.
3. On April 17, 2014, an email (**Exhibit 16**) from Slipstream's CEO, Choton Basu was received requesting a line of credit in the amount of \$32,000. A business credit agreement (**Exhibit 17**) was obtained for the request with the following terms; 6% interest rate and the entire sum would be due in one payment at the maturity date of April 17, 2015. The draw dates and amounts (**Exhibit 18**) are as follows; \$6,000 in April 2014, \$6,000 in May 2014, \$14,000 in June 2014, \$2,000 in June 2014, and \$4,000 in September 2014. This line of credit was paid off in February 2015.
4. December 31, 2014, was the first due date for the \$25,000 of principal and any accrued interest however, a memo (**Exhibit 19**) from Pat Cannon dated January 20, 2015, explains that the former CFO/COO James Jackson was the individual responsible for

- negotiating the terms and the company was unaware and would like to request a modification of the repayment schedule. It is of note to mention that the original agreement (**Exhibit 10**) with the terms outlined was signed by their CEO Choton Basu. An interest payment in the amount of \$1,025 was received towards the \$102,500 loan.
5. A memo (**Exhibit 20**) from Pat Cannon dated February 17, 2015, outlines the status of the two capital catalyst loans and the line of credit. Slipstream requested an extension of another year on their line of credit and outlined the terms of the amended and restated secured promissory note for the \$102,500 and the \$42,000 outstanding loans.
 6. February 26, 2015, the amended and restated secured promissory note (**Exhibit 21**) for the \$102,500 loan went into effect with the following terms; 4% interest with the first payment of \$25,000 plus accrued interest due on December 31, 2015, and the remaining payments due on March 31, 2016, June 30, 2016, and the final payment due on August 29, 2016. The amended and restated secured promissory note (**Exhibit 22**) for the \$42,000 loan went into effect with the following terms; 12% interest and 5-year term, on each anniversary the applicable principal and interest is due with all payments and interest will be due by the maturity date of August 27, 2019.
 7. May 12, 2015, Slipstream took a draw on their line of credit (**Exhibit 23**) in the amount of \$10,000. In May of 2016, an additional \$2,500 was drawn from their line of credit. The line of credit expired at the end of May 2016 and the full amount became due. No payments were received.
 8. May 2016, an interest payment in the amount of \$750 was received, September 2016 an interest payment of \$200 was received, and October 2016 an interest payment of \$200 was received towards the \$102,500 loan.
 9. A memo (**Exhibit 24**) from Pat Cannon dated October 16, 2016, explained that Slipstream was requesting an additional draw of \$10,000 on their line of credit but it had expired. At that time, all three loans were in default.

Recommendations

It would be advantageous to have the attorney determine the possible avenues for collection. According to the DFI website, the business remains active, and I have ordered a copy of their most recent financial statements. The terms of the two loans specify that in the event of a default, the CDA is entitled to charge 15% interest, and all outstanding amounts become immediately due. The total principal due for the first loan is \$102,500 and interest due of \$137,161.70 (4% interest until the default date of 12/31/2015 and then 15% thereafter) for a total due of \$239,661.70. The total principal due for the second loan is \$42,000 and interest due of \$49,938.10 (12% interest until the default date of 8/27/2015, then 15% interest thereafter) for a total due of \$91,938.10.

SECURED PROMISSORY NOTE

\$97,500.00

Whitewater, Wisconsin
October 26, 2015

FOR VALUE RECEIVED, SCANALYTICS, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of NINETY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$97,500.00) plus closing costs, together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on October 26, 2020 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days' prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement of even date herewith by the Maker in favor of the Lender (the "Security Agreement").

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker;

(ii) the Security Agreement duly executed by the Maker;

(iii) a certificate of the secretary of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officer who has signed this Note, the Security Agreement, and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note or the Security Agreement; (B) the adoption and continued effect of resolutions of the board of directors of the Maker authorizing the execution, delivery, and performance of this Note and the Security Agreement, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto;

(iv) a copy of the articles of incorporation of the Maker, certified by the Wisconsin Department of Financial Institutions as of a recent date; and

(v) copies of Uniform Commercial Code search reports dated as of a recent date, listing all effective financing statements that name the Maker as a debtor.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full:

(a) as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker; and

(c) such other financial information relating to the Maker and its business as may be requested by the Lender.

6. Events of Default. As used in this Note, “Event of Default” shall mean any one of the following:

(a) the Maker shall fail to pay any sum due or perform any covenant, agreement, or obligation hereunder or under the Security Agreement, or an event of default shall occur under the Security Agreement;

(b) a default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness;

(c) the Maker shall cease active conduct of business operations at a location that is in the City of Whitewater, Wisconsin (as such City boundaries are modified from time to time, the “Territory”) (failure of the Maker to employ at least one (1) employee in its operations in the Territory shall, without limitation, be deemed to be the cessation of the active conduct of the Maker’s business operations), and such cessation continues for an uninterrupted period in excess of forty-five (45) days or exists for periods that total in excess of sixty (60) days within any twelve (12)-month period; notwithstanding the foregoing, in the event that such cessation is due to fire or other casualty, such cessation shall not be considered an Event of Default if the Maker sends written notice of the casualty to the Lender within forty-five (45) days of the date of such casualty and the Maker resumes active conduct of business operations in the Territory within a time period reasonably acceptable to the Lender;

(d) the Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; or

(e) any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Section 6(a), Section 6(b), or Section 6(c), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon the occurrence of an Event of Default under Section 6(d) or Section 6(e), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum, subject to the limitation set forth in Section 1(a).

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares (the "Shares") of the Maker's Series AA Preferred Stock, \$0.001 par value per share (the "Preferred Stock"), as is determined by dividing the amount of all outstanding principal balance and accrued but unpaid interest due at the time of conversion by the "Series AA Original Issue Price" (as such term is defined in the Maker's Amended and Restated Articles of Incorporation (the "Articles")), and as such Series AA Original Issue Price is adjusted from time to time pursuant to the terms of the Articles, subject to adjustment as provided in Section 9(c) below.

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such

conversion is to be effected (such date, the “Conversion Date”). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker’s obligation to issue and deliver the Shares acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c) The following shall apply if and to the extent that such event or events would not have the effect of already automatically adjusting the Series AA Original Issue Price pursuant to the terms of the Articles:

(i) If the Maker, at any time while this Note is outstanding: (A) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Preferred Stock or any other Stock Equivalents (defined below); or (B) subdivides outstanding shares of Preferred Stock into a larger number of shares of Preferred Stock or consolidates outstanding shares of Preferred Stock into a smaller number of shares of Preferred Stock; then the number of Shares issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of shares of Preferred Stock outstanding immediately after such event and of which the denominator shall be the number of shares of Preferred Stock (excluding any treasury stock of the Maker) outstanding immediately before such event. For purposes of this Note, “Stock Equivalents” means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time shares of Preferred Stock, including, without limitation, any debt, equity security other than Preferred Stock, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, shares of Preferred Stock.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Preferred Stock (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends).

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Preferred Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Maker effects any reclassification of Preferred Stock or any compulsory share exchange pursuant to which shares of Preferred Stock are effectively converted into or exchanged for other securities, cash or property (in any such case, a “Fundamental Transaction”), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one share of Preferred Stock (the “Alternate”).

Consideration”). For purposes of any such conversion, the number of Shares issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Preferred Stock in such Fundamental Transaction. If holders of Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder’s right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and ensuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Maker’s Board of Directors in good faith will make an appropriate adjustment in the number of Shares issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Shares issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker

consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.

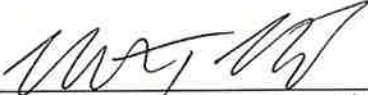
13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

SCANALYTICS, INC.

By: 
Name: Matthew T Mcloy
Title: COO

SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	0.50%	Level 1
2	\$500,001 to \$1,000,000	1.00%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	1.50%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.00%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	2.50%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.00%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	3.50%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.00%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	4.50%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 0.50% (total \$2,500), plus (b) \$500,000 multiplied by 1.00% (total \$5,000), plus (c) \$250,000 multiplied by 1.50% (total \$3,750) = \$11,250.

GENERAL BUSINESS SECURITY AGREEMENT

Dated October 26, 2015

1. SECURITY INTEREST

In consideration of any financial accommodation at any time granted by COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN ("Lender") to SCANALYTICS, INC. ("Borrower"), each of the undersigned ("Debtor," whether one or more) grants Lender a security interest in all equipment, fixtures, inventory, documents, general intangibles, accounts, deposit accounts (unless a security interest would render a nontaxable account taxable), contract rights, chattel paper, patents, trademarks and copyrights (and the good will associated with and registrations and licenses of any of them), instruments, letter of credit rights and investment property, now owned or hereafter acquired by Debtor (or by Debtor with spouse), and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, software used in, all returned or repossessed goods the sale of which gave rise to and all proceeds, supporting obligations and products of the foregoing ("Collateral"), wherever located, to secure all debts, obligations and liabilities to Lender arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Lender to any Debtor, or any Borrower, to any of them and another, or to another guaranteed or endorsed by any of them ("Obligations").

2. DEBTOR'S WARRANTIES

Debtor warrants and agrees that while any of the Obligations are unpaid:

(a) **Ownership and use.** Debtor owns (or with spouse owns) the Collateral free of all encumbrances and security interests (except Lender's security interest). Chattel paper constituting Collateral evidences a perfected security interest in the goods (including software used in the goods) covered by it, free from all other encumbrances and security interests, and no financing statement is on file or control agreement in existence (other than Lender's) covering the Collateral or any of it. Debtor, acting alone, may grant a security interest in the Collateral and agree to the terms of this Agreement. The Collateral is used or bought for use primarily for business purposes.

(b) **Sale of goods or services rendered.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.

(c) **Enforceability.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Lender as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payment, nor has any account debtor returned the goods or disputed liability.

(d) **Due date.** There has been no default as of this date according to the terms of any chattel paper or account constituting Collateral and no step has been taken to foreclose the security interest it evidences or otherwise enforce its payment.

(e) **Financial condition of account debtor.** As of this date Debtor has no notice or knowledge of anything which might impair the credit standing of any account debtor and Debtor will advise Lender upon receipt of any such notice or knowledge affecting Collateral.

(f) **Valid organization.** If a corporation, limited liability company or general or limited partnership, Debtor is duly organized, validly existing and in good standing under the laws of the state of organization and is authorized to do business in Wisconsin.

(g) **Other agreements.** Debtor is not in default under any agreement for the payment of money.

(h) **Authority to contract.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's articles of incorporation or organization, by-laws, partnership agreement, operating agreement or any other agreement or restriction to which Debtor is a party or is subject.

(i) **Accuracy of information.** All information, certificates or statements given to Lender pursuant to this Agreement shall be true and complete when given.

(j) **Name and address.** Debtor's exact legal name is as set forth below Section 12. If Debtor is an individual, Debtor separately provided to Lender the name of Debtor as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, and the address of Debtor's principal residence is as set forth below Section 12. If Debtor is an organization that has only one place of business, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of Debtor's chief executive office, is as set forth below Section 12.

(k) **Location.** The address where the Collateral will be kept, if different from that appearing below Section 12, is

Such location shall not be changed without prior written consent of Lender, but the parties intend that the Collateral, wherever located, is covered by this Agreement.

(l) **Organization.** If Debtor is an organization, the type of organization and the state under whose law it is organized are as set forth below Section 12.

(m) **Environmental laws.** (i) No substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about any real estate now or at any time owned or occupied by Debtor ("Property") during the period of Debtor's ownership or use of the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or some other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"), (ii) Debtor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property, (iii) without limiting the generality of the foregoing, Debtor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks, (iv) there are no conditions existing currently or likely to exist during the term of this Agreement which would subject Debtor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance, (v) Debtor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance, and (vi) Debtor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws. Debtor shall indemnify and hold harmless Lender, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of, or based upon (1) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (2) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from Property, or (3) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Debtor shall immediately notify Lender in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance described above on, in, under or about the Property.

(n) **Employees.** There are no unpaid wages due employees of Debtor and there are no outstanding liens against assets of Debtor for unpaid wages due employees of Debtor.

(o) **Fixtures.** If any of the Collateral is affixed to real estate, the legal description of the real estate set forth in each UCC Financing Statement signed or authorized by Debtor is true and correct.

3. SHIPPERS

Shippers authorized to draw drafts on Lender under section 6(c) are:

4. SALE AND COLLECTIONS

(a) **Sale of inventory.** So long as no default exists under any of the Obligations or this Agreement, Debtor may (a) sell inventory in the ordinary course of Debtor's business for cash or on terms customary in the trade, at prices not less than any minimum sale price shown on instruments evidencing Obligations and describing inventory, or (b) lease or license inventory on terms customary in the trade.

(b) **Verification and notification.** Lender may verify Collateral in any manner, and Debtor shall assist Lender in so doing. Upon default Lender may at any time and Debtor shall, upon request of Lender, notify the account debtors or other persons obligated on the Collateral to make payment directly to Lender and Lender may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors or other persons obligated on the Collateral. Until account debtors or other persons obligated on the Collateral are so notified, Debtor, as agent of Lender, shall make collections and receive payments on the Collateral.

(c) **Deposit with Lender.** At any time Lender may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Lender, shall not be commingled with any other funds or property of Debtor and shall be turned over to Lender in precisely the form received (but endorsed by Debtor if necessary for collection) not later than the business day following the day of their receipt. Except as provided in Section 4(d) below, all proceeds of Collateral received by Lender directly or from Debtor shall be applied against the Obligations in such order and at such times as Lender shall determine.

(d) **Accounting.** If the extent to which Lender's security interest in the Collateral is a purchase money security interest depends on the application of a payment to a particular obligation of Debtor, the payment shall first be applied to obligations of Debtor for which Debtor did not create a security interest in the order in which those obligations were incurred and then to obligations of Debtor for which Debtor did create a security interest, including the Obligations secured by the Collateral, in the order in which those obligations were incurred; provided, however, that Lender shall retain its security interest in all Collateral regardless of the allocation of payments.

ADDITIONAL PROVISIONS

5. DEBTOR'S COVENANTS

Item 9.

(a) **Maintenance of Collateral.** Debtor shall: maintain the Collateral in good condition and repair and not permit its value to be impaired; keep from all liens, encumbrances and security interests (other than Lender's security interest); defend it against all claims and legal proceedings by persons other than Lender; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease, license or otherwise transfer or dispose of it or permit it to become a fixture or an accession to other goods, except for sales, leases or licenses of inventory as provided in this Agreement; not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments, chattel paper and letter of credit rights, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not affect the liabilities of any Debtor or Borrower under this Agreement, the Obligations or other rights of Lender with respect to the Collateral.

(b) **Insurance.** Debtor shall keep the Collateral and Lender's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Lender from time to time, and shall furnish evidence of such insurance satisfactory to Lender. Subject to Lender's satisfaction, Debtor is free to select the insurance agent or insurer through which the insurance is obtained. Debtor assigns (and directs any insurer to pay) to Lender the proceeds of all such insurance and any premium refund, and authorizes Lender to endorse in the name of Debtor any instruments for such proceeds or refunds and, at the option of Lender, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Each insurance policy shall contain a standard lender's loss payable endorsement in favor of Lender, and shall provide that the policy shall not be cancelled, and the coverage shall not be reduced, without at least 10 days' prior written notice by the insurer to Lender. Lender is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by Lender or any insurance on the Collateral, or cancel the same after the occurrence of an event of default. If Debtor fails to keep any required insurance on the Collateral, Lender may purchase such insurance for Debtor, such insurance may be acquired by Lender solely to protect the interest of Lender (and will not cover Debtor's equity in the Collateral), and Debtor's obligation to repay Lender shall be in accordance with Section 6(a).

(c) **Maintenance of security interest.** Debtor shall pay all expenses and upon request, take any action reasonably deemed advisable by Lender to preserve the Collateral or to establish, evidence, determine and maintain priority of, perfect, continue perfected, terminate and/or enforce Lender's interest in it or rights under this Agreement. Debtor authorizes Lender to file Uniform Commercial Code financing statements describing the Collateral (including describing the Collateral as "all assets" or with words of similar effect) and amendments and correction statements to such financing statements and ratifies any such financing statement or amendment filed prior to the date of this Agreement. Debtor will obtain for and provide to Lender control of Collateral or other security for the Obligations for which control may be required or requested to perfect Lender's security interest under applicable law, including, without limitation, the execution of control agreements by and between Debtor, Lender and any necessary third party. If the Collateral is in possession of a third party, Debtor will also join with Lender at its request in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

(d) **Taxes and other charges.** Debtor shall pay and discharge all lawful taxes, assessments and government charges upon Debtor or against its properties prior to the date on which penalties attach, unless and to the extent only that such taxes, assessments and charges are contested in good faith and by appropriate proceedings by Debtor.

(e) **Employees.** Debtor shall pay all wages when due to employees of Debtor and shall not permit any lien to exist against the assets of Debtor for unpaid wages due employees of Debtor.

(f) **Records and statements.** Debtor shall furnish to Lender financial statements at least annually and such other financial information respecting Debtor at such times and in such form as Lender may request. Debtor shall keep accurate and complete records respecting the Collateral in such form as Lender may approve. At such times as Lender may require, Debtor shall furnish to Lender a statement certified by Debtor and in such form and containing such information as may be prescribed by Lender, showing the current status and value of the Collateral. Debtor shall furnish to Lender such reports regarding the payment of wages to employees of Debtor and the number of employees of Debtor as Lender may from time to time request, and without request shall furnish to Lender a written report immediately upon any material increase in the number of employees of Debtor, the failure of Debtor to pay any wages when due to employees of Debtor or the imposition of any lien against the assets of Debtor for unpaid wages due employees of Debtor.

(g) **Inspection of Collateral.** At reasonable times Lender may examine the Collateral and Debtor's records pertaining to it, wherever located, and make copies of records, and Debtor shall assist Lender in so doing.

(h) **Service charge.** In addition to the required payments under the Obligations and this Agreement, Debtor shall pay Lender's then current service charges for servicing and auditing in connection with this Agreement.

(i) **Chattel paper.** Lender may require that chattel paper constituting Collateral shall be on forms approved by Lender. Unless it consists of electronic chattel paper, Debtor shall promptly mark all chattel paper constituting Collateral, and all copies, to indicate conspicuously Lender's interest and, upon request, deliver them to Lender. If it consists of electronic chattel paper, Debtor shall promptly notify Lender of the existence of the electronic chattel paper and, at the request of Lender, shall take such actions as Lender may reasonably request to vest in Lender control of such electronic chattel paper under applicable law.

(j) **United States contracts.** If any Collateral arose out of contracts with the United States or any of its departments, agencies or instrumentalities, Debtor will notify Lender and execute writings required by Lender in order that all money due or to become due under such contracts shall be assigned to Lender and proper notice of the assignment given under the Federal Assignment of Claims Act.

(k) **Modifications.** Without the prior written consent of Lender, Debtor shall not alter, modify, extend, renew or cancel any accounts, letter of credit rights or chattel paper constituting Collateral or any Collateral constituting part of the Debtor's borrowing base.

(l) **Returns and repossessions.** Debtor shall promptly notify Lender of the return to or repossession by Debtor of goods underlying any Collateral and Debtor shall hold and dispose of them only as Lender directs.

(m) **Promissory Notes, Chattel Paper and Investment Property.** If Debtor shall at any time hold or acquire Collateral consisting of promissory notes, chattel paper or certificated securities, Debtor shall endorse, assign and deliver the same to Lender accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time request.

(n) **Change of name, address or organization.** Debtor shall not change (i) Debtor's legal name, (ii) if Debtor is an individual Debtor's name as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, or (iii) Debtor's address, in each case without providing at least 30 days' prior written notice of the change to Lender. If Debtor is an individual, Debtor shall provide to Lender at least 30 days' written notice of any expiration of Debtor's driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence. If Debtor is an organization it shall not change its type of organization or state under whose law it is organized and shall preserve its organizational existence, and Debtor whether or not Debtor is an organization shall not, in one transaction or in a series of related transactions, merge into or consolidate with any other organization, change Debtor's legal structure or sell or transfer all or substantially all of Debtor's assets.

6. RIGHTS OF LENDER

(a) **Authority to perform for Debtor.** Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Lender is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Lender at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(b) **Charging Debtor's credit balance.** Unless a lien would be prohibited by law or would render a nontaxable account taxable, Debtor grants Lender, as further security for the Obligations, a security interest and lien in any deposit account Debtor may at any time have with Lender and other money now or hereafter owed Debtor by Lender, and agrees that Lender may, at any time after the occurrence of an event of default, without prior notice or demand, set-off all or any part of the unpaid balance of the Obligations against any deposit balances or other money now or hereafter owed Debtor by Lender.

(c) **Power of attorney.** Debtor irrevocably appoints any officer of Lender as Debtor's attorney, with power after an event of default to receive, open and dispose of all mail addressed to Debtor (and Lender shall not be required as a condition to the exercise of this power to prove the occurrence of an event of default to the Post Office); to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Lender may designate; to endorse the name of Debtor upon any instruments which may come into Lender's possession; and to sign and make drafts under any letter of credit constituting Collateral on Debtor's behalf. Debtor agrees that Obligations may be created by drafts drawn on Lender by shippers of inventory named in Section 3. Debtor authorizes Lender to honor any such draft accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor and to pay any such invoices not accompanied by drafts. Debtor appoints any employee of Lender as Debtor's attorney, with full power to sign Debtor's name on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Lender and such instruments may be payable at fixed times or on demand, shall bear interest at the rate from time to time fixed by Lender and Debtor agrees, upon request of Lender, to execute any such instruments. This power of attorney to execute instruments may be revoked by Debtor only by written notice to Lender and no such revocation shall affect any instruments executed prior to the receipt by Lender of such notice. All acts of such attorney are ratified and approved and such attorney is not liable for any act or omission or for any error of judgment or mistake of fact or law. This power is a power coupled with an interest and is given as security for the Obligations, and the authority conferred by this power is and shall be irrevocable and shall remain in full force and effect until renounced by Lender except as otherwise expressly provided in this Section 6(c).

(d) **Non-liability of Lender.** Lender has no duty to determine the validity of any invoice, the authority of any shipper named in section 3 to ship goods to Debtor or compliance with any order of Debtor. Lender has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases Lender from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Lender's willful misconduct.

7. DEFAULT

Upon the occurrence of one or more of the following events of default:

- (a) **Nonperformance.** Any of the Obligations are not paid when due, or Borrower or Debtor, as applicable, fails to perform, or rectify breach of, any warranty or covenant or other undertaking in this Agreement or in any evidence of or document relating to the Obligations or an event of default occurs under any evidence of or document relating to any other obligation secured by the Collateral;
- (b) **Inability to Perform.** Borrower, Borrower's spouse, Debtor or a guarantor or surety of any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;
- (c) **Misrepresentation.** Any warranty or representation made to induce Lender to extend credit to Debtor or Borrower, under this Agreement or otherwise, is false in any material respect when made; or
- (d) **Insecurity.** At any time Lender believes in good faith that the prospect of payment or performance of any of the Obligations or performance under any agreement securing the Obligations is impaired;

all of the Obligations shall, at the option of Lender and without notice or demand, become immediately payable; and Lender shall have all rights and remedies for default provided by the Wisconsin Uniform Commercial Code and this Agreement, as well as any other applicable law, and under any evidence of or document relating to any Obligation, and all such rights and remedies are cumulative and may be exercised from time to time together, separately, and in any order. With respect to such rights and remedies:

- (e) **Repossession.** Lender may take possession of Collateral without notice or hearing, which Debtor waives;
- (f) **Assembling collateral.** Lender may require Debtor to assemble the Collateral and to make it available to Lender at any place reasonably designated by Lender;
- (g) **Notice of disposition.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice;
- (h) **Expenses and application of proceeds.** Debtor shall reimburse Lender for any expense incurred by Lender in protecting or enforcing its rights under this Agreement, before and after judgment, including, without limitation, reasonable attorneys' fees and legal expenses (including those incurred in successful defense or settlement of any counterclaim brought by Debtor or incident to any action or proceeding involving Debtor brought pursuant to the United States Bankruptcy Code) and all expenses of taking possession, holding, preparing for disposition and disposing of Collateral (provided, however, Lender has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Lender shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it elects or as otherwise required by this Agreement. If Lender sells any Collateral on credit, Debtor will be credited only with payments that the purchaser actually makes and that Lender actually receives and applies to the unpaid balance of the purchase price of the Collateral; and
- (i) **Waiver.** Lender may permit Debtor or Borrower to remedy any default without waiving the default so remedied, and Lender may waive any default without waiving any other subsequent or prior default by Borrower or Debtor. Lender shall continue to have all of its rights and remedies under this Agreement even if it does not fully and properly exercise them on all occasions.

8. WAIVER AND CONSENT

Each Debtor who is not also a Borrower expressly consents to and waives notice of the following by Lender without affecting the liability of any such Debtor: (a) the creation of any present or future Obligation, default under any Obligation, proceedings to collect from any Borrower or anyone else, (b) any surrender, release, impairment, sale or other disposition of any security or collateral for the Obligations, (c) any release or agreement not to sue any guarantor or surety of the Obligations, (d) any failure to perfect a security interest in or realize upon any security or collateral for the Obligations, (e) any failure to realize upon any of the Obligations or to proceed against any Borrower or any guarantor or surety, (f) any renewal or extension of the time of payment, (g) any allocation and application of payments and credits and acceptance of partial payments, (h) any application of the proceeds of disposition of any collateral for the Obligations to any obligation of any Debtor or Borrower secured by such collateral in such order and amounts as it elects, (i) any determination of what, if anything, may at any time be done with reference to any security or collateral, and (j) any settlement or compromise of the amount due or owing or claimed to be due or owing from any Borrower, guarantor or surety.

9. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code, as amended from time to time, provided, however, that the term "instrument" shall be such term as defined in the Wisconsin Uniform Commercial Code-Secured Transactions Chapter 409. All references in this Agreement to sections of the Wisconsin Statutes are to those sections as they may be renumbered from time to time. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

10. PERSONS BOUND

Each person signing this Agreement is a Debtor. All Debtors are jointly and severally liable under this Agreement. This Agreement benefits Lender, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns and shall bind all persons and entities who become bound as a debtor to this Agreement. If checked here, this Agreement amends and replaces in their entirety the provisions of all existing General Business Security Agreements between Debtor and Lender; provided, however, that all security interests granted to Lender under those existing security agreements shall remain in full force and effect, subject to the provisions of this Agreement. Debtor acknowledges receipt of a completed copy of this Agreement.

11. ENTIRE AGREEMENT

THIS AGREEMENT IS INTENDED BY LENDER AND DEBTOR AS A FINAL EXPRESSION OF THIS AGREEMENT AND AS A COMPLETE AND EXCLUSIVE STATEMENT OF ITS TERMS, THERE BEING NO CONDITIONS TO THE ENFORCEABILITY OF THIS AGREEMENT, AND THIS AGREEMENT MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES TO THIS AGREEMENT. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES TO THIS AGREEMENT. THIS AGREEMENT MAY NOT BE SUPPLEMENTED OR MODIFIED EXCEPT IN WRITING SIGNED BY LENDER AND DEBTOR.

12. OTHER PROVISIONS

(If none stated below, there are no other provisions.)

SCANALYTICS, INC. (SEAL) DEBTOR

(SEAL) DEBTOR

Address: 260 E. HIGHLAND AVENUE SEE SECTION 2(j) and (k)

MILWAUKEE, WISCONSIN 53202

(CORPORATION) TYPE OF ORGANIZATION

(WISCONSIN) STATE OF ORGANIZATION

By: [Signature] COO

[Signature] Matthew T McCoy TITLE

By: () TITLE

*Type or print name signed above.



Dave Carlson
Executive Director
312 W. Whitewater Street
Whitewater, WI 53190

PHONE: (262) 473-0148
FAX: (262) 473-0549
Email: dcarlson@whitewater-wi.gov
WEBSITE: www.whitewater-wi.gov

August 8, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Scanalytics, Inc.
Attn: Joseph Scanlin
260 E. Highland Ave., Suite 500
Milwaukee, WI 53202-2567

Scanalytics, Inc.
Attn: Joseph Scanlin
313 N. Plankinton Ave., Suite 208
Milwaukee, WI 53203-3102

Re: Community Development Authority of the City of Whitewater, Wisconsin
Scanalytics, Inc. \$97,500.00 Secured Promissory Note dated October 26, 2015

Notice of Acceleration of Full Amount of Note and Demand for Payment in Full

Dear Mr. Scanlin:

On October 26, 2015, Scanalytics, Inc. ("Scanalytics") executed and delivered a Secured Promissory Note ("Note") from Scanalytics payable to the order of the Community Development Authority of the City of Whitewater, Wisconsin (the "CDA") in the principal sum of \$97,500.00. The CDA has determined that multiple Events of Default exist under the terms of the Note. Scanalytics is in default of the Note as a result of the following:

1. **Section 1(b)** - Failing to make annual payments of principal and interest to the CDA based on net revenues for the four (4) most recent fiscal quarters pursuant to Section 1(b) of the Note. Payments were due in 2016 and 2017; however, Scanalytics has failed to provide these payments, or any documentation that would indicate the extent of the payment due, to the CDA.
2. **Sections 5(a) and 5(b)** - Failing to provide detailed annual financial statements and quarterly balance sheet statements to the CDA as required pursuant to Sections 5(a) and 5(b) of the Note.

Scanalytics, Inc.
 Attn: Joseph Scanlin
 August 8, 2018
 Page 2

Scanalytics has failed to provide the documentation required under Sections 5(a) and 5(b) of the Note to the CDA.

3. **Section 6(c)** - Ceasing active conduct of business operations at a location that is in the City of Wisconsin, and such cessation of such business has continued for an un-interrupted period of forty-five (45) days or exists for periods which total in excess of sixty (60) days within any twelve (12) month period. Scanalytics has reported to the CDA a principal address for its business as 260 E. Highland Ave., Suite 500, Milwaukee WI 53202. Wisconsin Department of Financial Institutions reflects a Registered Agent Office address of 313 N. Plankinton Ave., Suite 208, Milwaukee, WI 53202-3102. While Scanalytics has a lease for space at the Whitewater Innovation Center, there is no evidence that there is an active conduct of business at this location as is required under the Note. This lack of conduct of business in Whitewater has existed since approximately July 1, 2017.

Pursuant to Section 7(a) of the Note, upon the occurrence of an Event of Default, the CDA has the option to, and hereby notifies Scanalytics that it exercises its option to, declare the entire outstanding balance of the Note, together with interest, to be immediately due and payable. Accordingly, demand is hereby made for payment in full of the outstanding principal and interest balance of \$108,630.39 (calculated through August 31, 2018) under the Note.

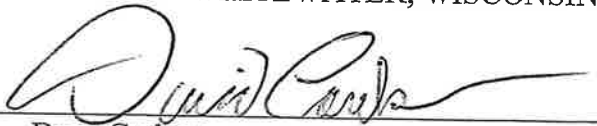
Please remit the payoff balance of \$108,630.39 by August 31, 2018 to avoid any interest rate penalties. In the event full payment of all principal and accrued and accruing interest has not been received by August 31, 2018, this matter will be referred to litigation legal counsel for further proceedings. As a reminder, in Section 7(b) of the Note, you have also agreed to pay all reasonable fees of the CDA to collect the money due from Scanalytics under the Note, including reasonable attorney fees. Section 7(c) of the Note also states that while an Event of Default occurs, the CDA may, at its discretion, apply a 15% per annum interest rate to an outstanding balance due under the Note.

If you should have any questions regarding the foregoing, please contact the undersigned by e-mail at dcarlson@whitewater-wi.gov or by phone at 262-473-0148 if you have any questions.

Sincerely,

COMMUNITY DEVELOPMENT AUTHORITY
 OF THE CITY OF WHITEWATER, WISCONSIN

By:


 Dave Carlson, Executive Director

cc: Laurence Kachel, Chairman
 Steve Hatton, Finance Director, City of Whitewater

Dave Carlson

From: Kathy Hust <kathy@scanalyticsinc.com>
Sent: Thursday, August 30, 2018 3:40 PM
To: Dave Carlson
Subject: Scanalytics Inc. - Response
Attachments: CDA Balance Sheet17.pdf; CDA Balance Sheet16.pdf; Whitewater CDA P&L Report.pdf; Whitewater CDA Note Analysis.xlsx

Hello Dave,

Per our conversation earlier this week, Scanalytics is responding to the CDA's concerns by way of this email communication. Please confirm you have received this message. Thank you.

Re: On October 26, 2015, Scanalytics Inc. executed and delivered a Secured Promissory Note from Scanalytics payable to the order of the Community Development Authority of the City of Whitewater, Wisconsin in the principal sum of \$97,500.

In response to your correspondence of August 8, 2018, we propose the following to address the events of default:

1. Section 1(b) Failing to make annual payments of principal and interest to the CDA based on net revenues for the four (4) most recent fiscal quarters pursuant to Section 1(b) of the Note. Payments were due in 2016 and 2017.

Response:

We have prepared an analysis that details the amounts owed for 2016/2017 (see attached). Due to the company's current limited cash flow availability, we respectfully request a short term payment plan to satisfy the amount owed to the CDA.

Payment Schedule

October 31	\$ 2500
November 30	\$ 2500
December 31	\$ 3125.27
Total	\$ 8125.27

2. Sections 5(a) and 5(b) - Scanalytics failed to provide annual financial statements and quarterly balance sheet statements to the CDA for the 2016/2017 reporting periods.

Response:

All financial statements and balance sheet statements for 2016 and 2017 have been provided via this electronic message (see attached). Item 9.

3. Section 6(c) - Ceasing active conduct of business operations at a location that is in the City of Wisconsin, and such cessation of such business has continued for an un-interrupted period of forty-five (45) days or exists for periods which total in excess of sixty (60) days within any twelve (12) month period. Scanalytics has reported to the CDA a principal address for its business as 260 E. Highland Ave., Suite 500 Milwaukee, WI 53202. While Scanalytics has a lease for space at the Whitewater Innovation Center, there is no evidence that there is an active conduct of business at this location as is required under the note. This lack of conduct of business in Whitewater has existed since approximately July 1, 2017.

Response:

Scanalytics will house the company's outbound marketing group at their office located in the Whitewater Innovation Center starting September 2018. The company will facilitate marketing efforts at this location by engaging UW Whitewater interns/graduates. The marketing team will be supervised by Kathy Hust, Scanalytics President, who will be in the office on a weekly basis during the school year.

Scanalytics will list the Whitewater office address on the company's website starting September 2018.

We appreciate your consideration of the proposed remedy of default, as Scanalytics Inc. continues to build and grow its core technology products and analytics platform services.

Please contact me if you have questions or need additional information.

Kind regards,

Kathy

Kathy Hust

President | [Scanalytics Inc.](#)
[414.870.0910](#)

Learn more about the tech: [SoleSensor](#)



Confidentiality Notice:

Information in this email message, including any attachments, is intended solely for the personal and confidential use of the recipient(s) named above. If you are not an intended recipient of this message, or an agent responsible for delivering it to an intended recipient, you are hereby notified that you have received this message in error, and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you received this message in error, please notify the sender immediately, delete the message, and return any hard copy print-outs.

EXHIBIT 5

SCANALYTICS, INC.

WHITEWATER CDA NOTE PAYABLE

	<u>DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
INITIAL NOTE	10/26/2015	4%	\$ 97,500
CALENDAR YEAR 2016 ACTIVITY:			
NET SALES	\$ 25,540	0.50%	\$ 127.70
INTEREST	\$ 97,500	4.00%	<u>\$ 3,900.00</u>
TOTAL DUE FOR 2016			\$ 4,027.70
CALENDAR YEAR 2017 ACTIVITY:			
NET SALES	\$ 39,501	0.50%	\$ 197.51
INTEREST	\$ 97,500	4.00%	<u>\$ 3,900.00</u>
TOTAL DUE FOR 2017			\$ 4,097.51

Scanalytics Inc.

EXHIBIT 6

Item 9.

BALANCE SHEET As of December 31, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	\$271,341
Accounts Receivable	\$38,808
Other Current Assets	\$0
Total Current Assets	\$310,149
Fixed Assets	
1400 Furniture & Office Equipment	10,818
1410 Accumulated Depreciation - Furniture/Fixtures	-5,596
Total Fixed Assets	\$5,222
Other Assets	
1600 Other Long Term Assets	
1620 2.0 SoleSensors	117,916
1630 SoleSensor Components	72,877
1640 Utility Mats	10,454
1660 Prototypes	13,263
1691 Accumulated Depreciation I	-59,061
Total 1600 Other Long Term Assets	155,450
Loan Costs	2,500
Total Other Assets	\$157,950
TOTAL ASSETS	\$473,321
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	\$196,136
Credit Cards	\$774
Other Current Liabilities	
4000 Sales Tax Payable	312
5000 Other Current Liabilities	0
5020 Deferred Revenue Account	17,510
Fundbox Invoice Advances	4,741
Total Other Current Liabilities	\$22,564
Total Current Liabilities	\$219,473
Long-Term Liabilities	
6000 Notes Payable - Long Term	0
6001 City of Whitewater Loan	97,500
6002 Chad MacDonald Loan	100,000
6003 WEDC Technology Loan	200,000
6004 McCoy Loan	25,000
6005 CSA Partners, LLC Loan	57,000
Total 6000 Notes Payable - Long Term	479,500

	TOTAL
6010 Other Long Term Liabilities	0
Total Long-Term Liabilities	\$479,500
Total Liabilities	\$698,973
Equity	
7000 Common Stock	25,000
7030 Series AA Preferred Stock	2,583,825
7100 Retained Earnings (Deficit)	-2,002,103
Net Income	-832,374
Total Equity	\$ -225,653
TOTAL LIABILITIES AND EQUITY	\$473,321

Scanalytics Inc.

PROFIT AND LOSS

January - December 2016

	TOTAL
Income	\$286,643.98
Cost of Goods Sold	
8100 Cost of Goods Sold	149,285.00
8105 Allocated Labor Costs	226.56
8120 Materials & Components	68,175.97
8130 Data Processing	154.94
8140 Floor Coverings	1,551.44
8150 Logistics	42,709.39
9051 Depreciation Expense	261,103.30
Total 8100 Cost of Goods Sold	\$261,103.30
Total Cost of Goods Sold	\$25,540.68
GROSS PROFIT	
Expenses	38,720.00
1200 Bad Debts	1,188.74
8500 R&D Costs	10,093.97
9000 Office/General Administrative Expenses	9,582.85
9030 Bank Service Charges	50,305.28
9060 Insurance Expense	2,608.23
9070 Interest Expense	2,994.50
9080 Meals and Entertainment	15,161.79
9120 Travel Expense	751.87
9140 Accounting	44,050.15
9180 Legal Fees	51,890.45
9200 Payroll Taxes	4,120.00
9210 Purchased Services	51,000.03
9211 Purchased Services Reimbursement	55,120.03
Total 9210 Purchased Services	62.89
9240 Reimbursement	15,944.37
9250 Technology Costs	444,892.28
9260 Salaries and Wages	1,810.04
9270 Shipping Expense	879.81
9280 Supplies	
Facility Costs	1,604.05
9040 Internet Expenses	106,152.86
9090 Rent Expense	4,110.64
9130 Utilities	111,867.55
Total Facility Costs	\$857,914.80
Total Expenses	\$ -832,374.12
NET OPERATING INCOME	\$ -832,374.12
NET INCOME	\$ -832,374.12

Scanalytics Inc.

PROFIT AND LOSS

January - December 2016

	JAN - MAR, 2016	APR - JUN, 2016	JUL - SEP, 2016	OCT - DEC, 2016	TOTAL
Income	\$102,947.84	\$82,687.82	\$48,119.12	\$52,889.40	\$286,643.98
Cost of Goods Sold					
8100 Cost of Goods Sold					\$0.00
8105 Allocated Labor Costs	47,960.00	35,470.00	35,130.00	29,725.00	\$148,285.00
8120 Materials & Components		138.21		88.35	\$226.56
8130 Data Processing	18,331.23	16,515.00	16,664.56	16,665.18	\$68,175.97
8140 Floor Coverings				154.94	\$154.94
8150 Logistics	688.82	726.32		136.30	\$1,551.44
9051 Depreciation Expense	9,327.10	10,818.29	11,282.14	11,281.86	\$42,709.39
Total 8100 Cost of Goods Sold	76,307.15	63,667.82	63,076.70	58,051.63	\$261,103.30
Total Cost of Goods Sold	\$76,307.15	\$63,667.82	\$63,076.70	\$58,051.63	\$261,103.30
GROSS PROFIT	\$26,640.49	\$19,020.00	\$ -14,957.58	\$ -5,162.23	\$25,540.68
Expenses					
1200 Bad Debts	925.00	1,184.00	32,225.85	4,385.15	\$38,720.00
8500 R&D Costs				1,188.74	\$1,188.74
9000 Office/General Administrative Expenses	5,435.73	3,005.42	633.12	1,019.70	\$10,093.97
9030 Bank Service Charges	1,781.77	1,831.85	1,054.00	4,915.43	\$9,582.85
9060 Insurance Expense	17,186.75	13,022.46	9,557.33	10,538.74	\$50,305.28
9070 Interest Expense	410.30	611.57	788.56	797.80	\$2,608.23
9080 Meals and Entertainment	1,101.57	413.33	944.70	534.90	\$2,994.50
9120 Travel Expense	4,841.22	2,761.86	1,866.46	5,892.25	\$15,161.79
9140 Accounting	62.97	62.97	562.96	62.97	\$751.87
9180 Legal Fees	2,494.10	25,056.05	10,000.00	6,500.00	\$44,050.15
9200 Payroll Taxes	20,508.25	11,998.14	10,468.15	8,917.91	\$51,890.45
9210 Purchased Services	19,966.17	12,384.62	12,384.62	10,384.82	\$55,120.03
9240 Reimbursement	35.00	27.89			\$62.89
9250 Technology Costs	3,689.80	4,655.06	4,053.15	3,546.36	\$15,944.37
9260 Salaries and Wages	143,873.50	108,417.03	105,413.30	69,178.45	\$444,882.28
9270 Shipping Expense	600.42	73.21	763.54	372.87	\$1,810.04
9290 Supplies	621.09	70.68	113.67	74.36	\$879.81
Facility Costs					\$0.00
9040 Internet Expenses	1,118.29	168.96	158.40	158.40	\$1,604.05
9090 Rent Expense	27,338.89	27,035.93	22,139.02	29,639.02	\$106,152.86
9130 Utilities	803.40	1,373.94	1,073.83	859.47	\$4,110.64
Total Facility Costs	29,260.58	28,578.83	23,371.25	30,656.89	\$111,867.55
Total Expenses	\$252,794.22	\$212,152.78	\$214,200.66	\$178,767.14	\$857,914.80
NET OPERATING INCOME	\$ -226,153.73	\$ -193,132.78	\$ -229,158.24	\$ -183,929.37	\$ -832,374.12
NET INCOME	\$ -226,153.73	\$ -193,132.78	\$ -229,158.24	\$ -183,929.37	\$ -832,374.12

Scanalytics Inc.

EXHIBIT 7

Item 9.

BALANCE SHEET As of December 31, 2017

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	\$139,333
Accounts Receivable	\$ -7,576
Other Current Assets	\$445
Total Current Assets	\$132,202
Fixed Assets	
1400 Furniture & Office Equipment	11,897
1410 Accumulated Depreciation - Furniture/Fixtures	-5,596
Total Fixed Assets	\$6,301
Other Assets	
1600 Other Long Term Assets	
1620 2.0 SoleSensors	140,267
1630 SoleSensor Components	84,784
1640 Utility Mats	10,454
1660 Prototypes	13,263
1691 Accumulated Depreciation I	-99,317
Total 1600 Other Long Term Assets	149,451
Loan Costs	2,500
Patent Costs	10,917
Total Other Assets	\$162,868
TOTAL ASSETS	\$301,371
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	\$193,414
Credit Cards	\$4,907
Other Current Liabilities	
4000 Sales Tax Payable	7,089
5000 Other Current Liabilities	0
5020 Deferred Revenue Account	0
Direct Deposit Payable	0
Fundbox Invoice Advances	0
Payroll Liabilities	10,448
Wisconsin Department of Revenue Payable	0
Total Other Current Liabilities	\$17,538
Total Current Liabilities	\$215,859
Long-Term Liabilities	
6000 Notes Payable - Long Term	0
6001 City of Whitewater Loan	97,500
6002 Chad MacDonald Loan	90,000
6003 WEDC Technology Loan	200,000

(132,008)

	TOTAL
6004 McCoy Loan	0
6005 CSA Partners, LLC Loan	124,452
Total 6000 Notes Payable - Long Term	511,952
6010 Other Long Term Liabilities	0
Total Long-Term Liabilities	\$511,952
Total Liabilities	\$727,811
Equity	
7000 Common Stock	25,000
7030 Series AA Preferred Stock	3,048,636
7100 Retained Earnings (Deficit)	-2,834,477
Convertible Note	103,375
Net Income	-768,974
Total Equity	\$ -426,440
TOTAL LIABILITIES AND EQUITY	\$301,371

Scanalytics Inc.

PROFIT AND LOSS

January - December 2017

	TOTAL
Income	\$216,824.35
Cost of Goods Sold	
8100 Cost of Goods Sold	134,675.00
8105 Allocated Labor Costs	336.20
8110 Mats & Accessories	28.20
8120 Materials & Components	1,246.57
8130 Data Processing	97.33
8140 Floor Coverings	683.88
8150 Logistics	40,256.26
9051 Depreciation Expense	177,323.44
Total 8100 Cost of Goods Sold	\$177,323.44
Total Cost of Goods Sold	\$39,500.91
GROSS PROFIT	
Expenses	4,142.69
8500 R&D Costs	36,811.89
9000 Office/General Administrative Expenses	4,556.12
9030 Bank Service Charges	51,187.82
9060 Insurance Expense	3,450.66
9070 Interest Expense	8,769.17
9080 Meals and Entertainment	76,163.01
9120 Travel Expense	4,050.00
9140 Accounting	116,670.29
9180 Legal Fees	6,375.58
9200 Payroll Taxes	37,336.48
9210 Purchased Services	349.20
9230 Recruitment	15,685.91
9250 Technology Costs	399,536.78
9260 Salaries and Wages	8,306.43
9270 Shipping Expense	1,257.04
9280 Software and Hardware	15,461.99
9290 Supplies	463.57
9305 Personal Property Tax	22,762.64
Contractors	2,478.68
Dues & subscriptions	
Facility Costs	158.40
9040 Internet Expenses	16,052.00
9090 Rent Expense	1,473.55
9100 Repairs and Maintenance	574.03
9110 Telephone Expense	1,034.02
9130 Utilities	1,630.00
Storage	21,122.00
Total Facility Costs	\$835,747.95
Total Expenses	

	TOTAL
NET OPERATING INCOME	\$ -796,247.04
Other Income	
9360 Other Miscellaneous Income	27,250.00
Total Other Income	\$27,250.00
Other Expenses	
9340 Other Expense	-23.10
Total Other Expenses	\$ -23.10
NET OTHER INCOME	\$27,273.10
NET INCOME	\$ -768,973.94

Scanalytics Inc.

PROFIT AND LOSS

January - December 2017

	JAN - MAR, 2017	APR - JUN, 2017	JUL - SEP, 2017	OCT - DEC, 2017	TOTAL
Income	\$46,957.35	\$80,568.89	\$112,484.79	\$ -23,186.68	\$216,824.35
Cost of Goods Sold					\$0.00
8100 Cost of Goods Sold					\$134,675.00
8105 Allocated Labor Costs	33,775.00	33,945.00	37,845.00	29,110.00	\$336.20
8110 Mats & Accessories				336.20	\$28.20
8120 Materials & Components		28.20			\$1,246.57
8130 Data Processing	1,229.95			16.62	\$97.33
8140 Floor Coverings	97.33				\$683.88
8150 Logistics	683.88				\$40,256.26
9051 Depreciation Expense				40,256.26	\$177,323.44
Total 8100 Cost of Goods Sold	35,786.16	33,973.20	37,845.00	69,719.08	\$177,323.44
Total Cost of Goods Sold	\$35,786.16	\$33,973.20	\$37,845.00	\$69,719.08	\$177,323.44
GROSS PROFIT	\$11,171.19	\$46,595.69	\$74,639.79	\$ -92,905.76	\$39,500.91
Expenses					\$0.00
8500 R&D Costs					\$4,142.69
8520 R&D	1,836.03	510.44	1,069.41	726.81	\$4,142.69
Total 8500 R&D Costs	1,836.03	510.44	1,069.41	726.81	\$35,611.89
9000 Office/General Administrative Expenses	7,213.63	1,354.68	10,223.34	16,820.24	\$4,556.12
9030 Bank Service Charges	858.86	449.08	2,718.23	530.15	\$51,197.82
9060 Insurance Expense	8,908.51	6,790.07	24,258.44	10,242.80	\$3,450.66
9070 Interest Expense	-18.35	9.00		3,460.01	\$8,769.17
9080 Meals and Entertainment	2,343.75	5,965.82	294.60	165.00	\$76,163.01
9120 Travel Expense	7,223.82	28,194.58	22,167.12	18,577.49	\$4,050.00
9140 Accounting			2,250.00	1,800.00	\$116,670.29
9180 Legal Fees	15,200.00	17,287.55	34,503.64	49,679.10	\$6,375.58
9200 Payroll Taxes	6,375.58				\$37,336.48
9210 Purchased Services	731.92	10,384.62	14,499.60	11,720.34	\$349.20
9230 Recruitment	349.20				\$15,685.91
9250 Technology Costs	4,222.22	2,869.59	1,605.56	6,988.54	\$399,536.78
9260 Salaries and Wages	101,319.39	101,839.62	113,528.83	82,848.94	\$8,306.43
9270 Shipping Expense	2.03	2,035.83	2,335.17	3,933.40	\$1,257.04
9280 Software and Hardware		48.09	1,208.95		\$15,461.99
9290 Supplies	2,160.31	878.22	9,100.86	3,322.60	\$463.57
9305 Personal Property Tax	548.55	-84.98			\$22,762.64
Contractors			16,824.98	5,937.66	\$2,478.68
Dues & subscriptions			1,500.00	978.68	\$0.00
Facility Costs					\$158.40
9040 Internet Expenses	158.40				\$16,052.00
9090 Rent Expense	450.00	2,200.00	5,450.00	7,952.00	\$1,473.55
9100 Repairs and Maintenance			1,473.55		\$574.03
9110 Telephone Expense			-15.87	589.90	\$1,034.02
9130 Utilities	427.93	335.78	256.04	14.27	

	JAN - MAR, 2017	APR - JUN, 2017	JUL - SEP, 2017	OCT - DEC, 2017	TOTAL
Storage	815.00	405.00	405.00	405.00	\$1,830.00
Total Facility Costs	1,651.39	2,940.78	7,568.72	8,961.17	\$21,122.00
Total Expenses	\$161,926.58	\$161,472.99	\$265,655.45	\$226,692.93	\$835,747.95
NET OPERATING INCOME	\$ -150,755.39	\$ -134,877.30	\$ -191,015.66	\$ -319,598.69	\$ -796,247.04
Other Income					
9360 Other Miscellaneous Income				27,250.00	\$27,250.00
Total Other Income	\$0.00	\$0.00	\$0.00	\$27,250.00	\$27,250.00
Other Expenses					
9340 Other Expense		-23.10			\$ -23.10
Total Other Expenses	\$0.00	\$ -23.10	\$0.00	\$0.00	\$ -23.10
NET OTHER INCOME	\$0.00	\$23.10	\$0.00	\$27,250.00	\$27,273.10
NET INCOME	\$ -150,755.39	\$ -134,854.20	\$ -191,015.66	\$ -292,348.69	\$ -768,973.94

original

EXHIBIT 8

Item 9.

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT (the “Agreement”) is entered into as of this 27th day of February, 2019 (the “Effective Date”) by and among the COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (“Lender”) and SCANALYTICS, INC., a Wisconsin corporation (“Borrower”).

RECITALS AND STIPULATIONS

WHEREAS, Borrower executed and delivered that certain Secured Promissory Note in favor of Lender, dated October 26, 2015 in the principal sum of \$97,500.00 (the “Note”);

WHEREAS, the Note is secured by a General Business Security Agreement dated October 26, 2015 by Borrower in favor of Lender (the “Security Agreement”);

WHEREAS, Lender has determined that multiple Events of Default exist under the terms of the Note by Borrower (i) failing to make annual payments of principal and interest to Lender based on net revenues for the four (4) most recent fiscal quarters pursuant to Section 1(b) of the Note; (ii) failing to provide detailed annual financial statements and quarterly balance sheet statements to Lender as required pursuant to Sections 5(a) and 5(b) of the Note; and (iii) ceasing active conduct of business operations at a location that is in the City of Whitewater, Wisconsin, and such cessation of such business has continued for an un-interrupted period of forty-five (45) days pursuant to Section 6(c) of the Note;

WHEREAS, on August 9, 2018, pursuant to Section 8(a) of the Note, Lender exercised its option to declare the entire outstanding balance of the Note, together with interest, to be immediately due and payable; and

WHEREAS, Borrower has requested that Lender forbear from exercising any of its rights and remedies under the Note and applicable law in respect to the Events of Default described above and, as an accommodation to Borrower, Lender has agreed to temporarily forgo enforcement of its rights arising from Borrower’s defaults in accordance with the terms and subject to the conditions set forth in of this Agreement.

NOW, THEREFORE, in consideration of the recitals and stipulations set forth above and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower hereby agree as follows:

AGREEMENT

1. **General Acknowledgement.** Borrower acknowledges and agrees to the following:

a. Borrower hereby acknowledges the accuracy of the representations set forth in the Recitals and Stipulations of this Agreement;

b. Neither this Agreement nor any other agreement entered in connection herewith or pursuant to the terms hereof shall be deemed or construed to be a compromise, satisfaction, reinstatement, accord and satisfaction, novation or release of the Note or Security Agreement, or any rights or obligations thereunder, or a waiver by Lender of any of its rights under the Note or Security Agreement or at law or in equity; and

c. Neither this Agreement nor any other agreement executed in connection herewith pursuant to the terms hereof, nor any actions taken pursuant to this Agreement or such other agreement shall be deemed to cure any Event of Default which may exist under the Note or Security Agreement, or to be a waiver by Lender of any Event of Default under the Note or Security Agreement, or of any rights or remedies in connection therewith or with respect hereto, evidencing the parties' intention that Borrower's obligations under the Note or Security Agreement shall remain in full force and effect.

2. **Forbearance.** At the specific request of Borrower, and without waiving any Event of Default or any option or remedy it may have, Lender hereby agrees to forbear from exercising any remedy available to Lender as a result of Borrower's default until a "Triggering Event". Provided that Borrower has not defaulted under any of the terms of this Agreement, Lender agrees that it will not increase the interest rate on the Indebtedness (as defined in Section 3, below) to the default rate of 15% under the terms of the Note, and that the interest rate on Indebtedness shall be 4.00% per annum during the term of this Agreement. In the event Borrower defaults under any of the terms of this Agreement, Borrower hereby acknowledges and agrees that the interest rate on the Indebtedness owed to Lender shall increase to 15%, without further notice from Lender, retroactively to August 31, 2018.

3. **Confirmation of Indebtedness.** Borrower confirms and acknowledges that as of the Effective Date it is indebted and obligated to Lender under the Note in the following amounts:

Principal Balance	<u>\$97,500.00</u>
Accrued and Unpaid Interest	12,768.
TOTAL	<u>\$110,268.00</u>

All principal and accrued interest, and all fees, charges, costs and expenses (including attorneys' fees and other professional fees, costs and expenses arising from the current defaults and/or any future default by Borrower hereunder) pertaining to Borrower's obligations to Lender are collectively referred to in this Agreement as the "Indebtedness." Borrower hereby acknowledges and affirms that the Indebtedness owed to Lender is in default as of the date hereof and that, by entering into this Agreement, Lender has not waived any rights or remedies Lender may have arising from said default.

4. **Limitations.** The terms and conditions set forth herein are limited precisely as written Conditions to Effectiveness of this Agreement. The effectiveness and continued effectiveness of this Agreement is dependent upon Borrower's satisfaction and continued

satisfaction of the following conditions, the violation of any of which shall be a "Triggering Event":

- a. The execution of this Agreement by Borrower;
- b. On or before March 15, 2019, Borrower shall pay to Lender \$8,125.27 by check made payable to Community Development Authority of the City of Whitewater for which shall be applied to Borrower's Indebtedness owed to Lender. Said Royalty Payment represents the total Borrower specifically acknowledges that by making payment on the Note, Lender is not waiving Borrower's default;
- c. On or before June 1, 2019, Borrower shall house the company's outbound marketing group at their office located in the Whitewater Innovation Center. Borrower shall facilitate marketing efforts at this location by engaging University of Wisconsin-Whitewater interns/graduates. Borrower's goal is to employ a minimum of two (2) interns/associates each semester (including the summer semester) Borrower's marketing team will be supervised by Borrower's President, Kathy Hust, who shall be in the office on a weekly basis during the University of Wisconsin-Whitewater school year; and
- d. Borrower shall pay to Lender all attorneys' fees and other expenses incurred by Lender with respect to Borrower's default on the Note and related documents including but not limited to Lender's attorneys' fees and expenses in preparing this Agreement.

5. **Acknowledgment of No Claims.** Borrower specifically acknowledges and agrees that Borrower does not have any claim or cause of action against Lender, whether such cause of action is known or unknown, contingent or liquidated. Borrower hereby specifically waives any claim, right, or cause of action which it has or may have against Lender whether such claim or cause of action is known or unknown, contingent or liquidated, arising out of or in any way pertaining to any of the Note, Security Agreement, this Agreement, or any other documents to which reference is made in any of the Note or Security Agreement arising out of or in any way pertaining to any act or failure to act by Lender, its officers, employees, agents, or representatives.

6. **Nonwaiver.** Borrower acknowledges that by entering into this Agreement and in making any payments to Lender as provided in this Agreement, Lender is not waiving the default by Borrower in any of the terms and conditions of the Note or the Security Agreement. By entering into this Agreement, Lender is only agreeing not to immediately exercise its rights to begin collection of the amounts owed by Borrower. Borrower specifically acknowledges that in the event Borrower defaults under any terms of this Agreement, Lender may, without notice or warning to Borrower (all of such notices if required being hereby expressly waived) and without extending to Borrower the opportunity to cure any default, terminate this Agreement, and immediately reinstate the default status of Borrower and pursue any and all remedies Lender may have under and pursuant to the Note or Security Agreement.

7. **Incorporation of Other Documents.** The Note and Security Agreement are expressly reaffirmed and incorporated herein by this reference, and shall remain in full force and effect and continue to govern and control the relationship between the parties hereto except to the extent they are inconsistent with, and amended or superseded by this Agreement. To the extent of any inconsistency, amendment or superseding provision, this Agreement shall govern and control.

8. **Waiver of Jury Trial.** BORROWER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. BORROWER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO THIS AGREEMENT, THAT BORROWER AND LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. BORROWER FURTHER WARRANTS AND REPRESENTS THAT BORROWER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT BORROWER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

9. **Voluntary Action.** Borrower hereby represents, confirms, acknowledges and agrees that Borrower has entered into this Agreement freely and voluntarily without coercion of any kind.

10. **Miscellaneous.** This Agreement shall be governed by the laws of the State of Wisconsin, without regard to the conflict of laws principles thereof. This Agreement (together with the Note, Security Agreement and other documents executed in connection with or pursuant to this Agreement) shall constitute the entire agreement between the parties with regard to the subject matter hereof and, as such, constitutes a complete integration of all prior and contemporaneous discussions, understandings, conversations, negotiations and agreements between Lender and Borrower, whether oral or written. This Agreement shall not be amended, modified or varied in any way unless such is in writing and signed by the Parties. No delay by Lender in the exercise of any of its rights, remedies, powers and privileges shall constitute a waiver thereof. Any provision of this Agreement which is determined to be prohibited or unenforceable shall be ineffective to the extent of such prohibited or unenforceable provision without invalidating the remaining provisions hereof. The rights, powers and remedies of Lender, whether arising under this Agreement or otherwise, are cumulative and not exclusive of any other right, power or remedy to which Lender may be entitled. This Agreement shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns.

11. **Legal Representation/Professional Advice.** By execution of this Agreement, Borrower acknowledges, understands and represents that (a) this Agreement has been drafted by Attorney William F. Springer of Brennan Steil S.C. ("Lender's Attorneys") on behalf of Lender, (b) Lender's Attorneys have provided and will continue to provide legal advice to Lender in connection with this Agreement and the transactions contemplated herein, (c) Borrower has been

informed of its right to seek the advice of independent legal counsel, CPA's and other professional advisors (collectively "Professional Advisors") of its choice to represent Borrower's rights and interests in connection with this Agreement and to advise Borrower concerning this Agreement and the transactions contemplated herein, (d) Borrower has had the opportunity to consult with Professional Advisors of its choice prior to signing this Agreement and has consulted with any such Professional Advisors pertaining to this Agreement and the transactions contemplated herein to the extent Borrower deems it necessary or advisable to do so, and (e) Lender's Attorneys have not given any Borrower any legal or other professional advice concerning this Agreement or the transactions contemplated herein.

12. **Counterparts.** This Agreement may be executed in any number of counterparts by different parties on separate counterparts and all of such counterparts shall together constitute one and the same instrument.

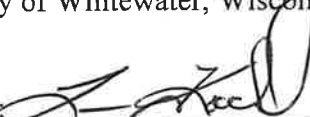
IN WITNESS WHEREOF, Lender and Borrower, by their duly authorized representatives, have executed this Agreement to become effective on the day and year first above written.

LENDER:

BORROWER:

Community Development Authority of the City of Whitewater, Wisconsin


Scanalytics, Inc., a Wisconsin Corporation

By: 

Laurence Kachel, Chairman

By: 

Joe Scamini, CEO

Attest: 

Dave Carlson, Executive Director

EXHIBIT 9

Scanalytics Inc.
333 N Plankinton Ave Suite 208
Milwaukee, WI 53203
608-215-2426

8805
12-1750

DATE 3/26/19 \$ 8,225.27 DOLLARS

PAY TO THE ORDER OF CPA of The City of Whitewater
Eight thousand One hundred Twenty Five & 27/100

FOR Interest

JPMORGAN CHASE BANK, NA

Katherine Gust

⑈008805⑈ ⑆07500019⑆ 218678372⑈

SECURED PROMISSORY NOTE

\$102,500.00

Whitewater, Wisconsin
September 4, 2013

FOR VALUE RECEIVED, SLIPSTREAM LLC, a Wisconsin limited liability company (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of ONE HUNDRED TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$102,500.00), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be two (2) years, with all unpaid principal and interest due and payable on September 4, 2015 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) From the date hereof through and including September 4, 2014 (the "First Anniversary Date"), the unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). From and excluding the First Anniversary Date through and including the Maturity Date, the unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to (i) the Prime Rate as published on the last business day preceding the First Anniversary Date plus (ii) two percent (2.00%). The term "Prime Rate" means the rate of interest published by the Wall Street Journal and designated as the Prime Rate in the "Money Rates" section of such publication. If such publication describes the Prime Rate as a range of rates, for purposes of this Note, the Prime Rate shall be the highest rate designated in such range. All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year.

(b) The Maker shall make a payment of all accrued but unpaid interest on the First Anniversary Date. The Maker shall make payments of principal in the amount of \$25,000 plus all accrued but unpaid interest on December 31, 2014, March 31, 2015, and June 30, 2015, with a fourth and final payment of all outstanding principal, accrued interest, and all other amounts owed hereunder due on the Maturity Date.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement of even date herewith by the Maker in favor of the Lender (the "Security Agreement").

4. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum due or perform any covenant, agreement, or obligation hereunder or under the Security Agreement, or an event of default shall occur under the Security Agreement;

(b) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; or

(c) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

5. Remedies.

(a) Upon the occurrence of an Event of Default, the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

6. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

7. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

8. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

9. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.


10. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

11. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

SLIPSTREAM LLC

By: 
Name: SUYJIT CHOTON BASH
Title: CEO / Founder

ADDITIONAL PROVISIONS

5. DEBTOR'S COVENANTS

Item 9.

(a) Maintenance of Collateral. Debtor shall: maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than Lender's security interest); defend it against all claims and legal proceedings by persons other than Lender; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease, license or otherwise transfer or dispose of it or permit it to become a fixture or an accession to other goods, except for sales, leases or licenses of inventory as provided in this Agreement; not permit it to be used in violation of any applicable law, regulation or policy of insurance; and, as to Collateral consisting of instruments, chattel paper and letter of credit rights, preserve rights in it against prior parties. Loss of or damage to the Collateral shall not affect the liabilities of any Debtor or Borrower under this Agreement, the Obligations or other rights of Lender with respect to the Collateral.

(b) Insurance. Debtor shall keep the Collateral and Lender's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Lender from time to time, and shall furnish evidence of such insurance satisfactory to Lender. Subject to Lender's satisfaction, Debtor is free to select the insurance agent or insurer through which the insurance is obtained. Debtor assigns (and directs any insurer to pay) to Lender the proceeds of all such insurance and any premium refund, and authorizes Lender to endorse in the name of Debtor any instruments for such proceeds or refunds and, at the option of Lender, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Each insurance policy shall contain a standard lender's loss payable endorsement in favor of Lender, and shall provide that the policy shall not be cancelled, and the coverage shall not be reduced, without at least 10 days' prior written notice by the insurer to Lender. Lender is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by Lender or any insurance on the Collateral, or cancel the same after the occurrence of an event of default. If Debtor fails to keep any required insurance on the Collateral, Lender may purchase such insurance for Debtor, such insurance may be acquired by Lender solely to protect the interest of Lender (and will not cover Debtor's equity in the Collateral), and Debtor's obligation to repay Lender shall be in accordance with Section 6(a).

(c) Maintenance of security interest. Debtor shall pay all expenses and upon request, take any action reasonably deemed advisable by Lender to preserve the Collateral or to establish, evidence, determine and maintain priority of, perfect, continue perfected, terminate and/or enforce Lender's interest in it or rights under this Agreement. Debtor authorizes Lender to file Uniform Commercial Code financing statements describing the Collateral (including describing the Collateral as "all assets" or with words of similar effect) and amendments and correction statements to such financing statements and ratifies any such financing statement or amendment filed prior to the date of this Agreement. Debtor will obtain for and provide to Lender control of Collateral or other security for the Obligations for which control may be required or requested to perfect Lender's security interest under applicable law, including, without limitation, the execution of control agreements by and between Debtor, Lender and any necessary third party. If the Collateral is in possession of a third party, Debtor will also join with Lender at its request in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

(d) Taxes and other charges. Debtor shall pay and discharge all lawful taxes, assessments and government charges upon Debtor or against its properties prior to the date on which penalties attach, unless and to the extent only that such taxes, assessments and charges are contested in good faith and by appropriate proceedings by Debtor.

(e) Employees. Debtor shall pay all wages when due to employees of Debtor and shall not permit any lien to exist against the assets of Debtor for unpaid wages due employees of Debtor.

(f) Records and statements. Debtor shall furnish to Lender financial statements at least annually and such other financial information respecting Debtor at such times and in such form as Lender may request. Debtor shall keep accurate and complete records respecting the Collateral in such form as Lender may approve. At such times as Lender may require, Debtor shall furnish to Lender a statement certified by Debtor and in such form and containing such information as may be prescribed by Lender, showing the current status and value of the Collateral. Debtor shall furnish to Lender such reports regarding the payment of wages to employees of Debtor and the number of employees of Debtor as Lender may from time to time request, and without request shall furnish to Lender a written report immediately upon any material increase in the number of employees of Debtor, the failure of Debtor to pay any wages when due to employees of Debtor or the imposition of any lien against the assets of Debtor for unpaid wages due employees of Debtor.

(g) Inspection of Collateral. At reasonable times Lender may examine the Collateral and Debtor's records pertaining to it, wherever located, and make copies of records, and Debtor shall assist Lender in so doing.

(h) Service charge. In addition to the required payments under the Obligations and this Agreement, Debtor shall pay Lender's then current service charges for servicing and auditing in connection with this Agreement.

(i) Chattel paper. Lender may require that chattel paper constituting Collateral shall be on forms approved by Lender. Unless it consists of electronic chattel paper, Debtor shall promptly mark all chattel paper constituting Collateral, and all copies, to indicate conspicuously Lender's interest and, upon request, deliver them to Lender. If it consists of electronic chattel paper, Debtor shall promptly notify Lender of the existence of the electronic chattel paper and, at the request of Lender, shall take such actions as Lender may reasonably request to vest in Lender control of such electronic chattel paper under applicable law.

(j) United States contracts. If any Collateral arose out of contracts with the United States or any of its departments, agencies or instrumentalities, Debtor will notify Lender and execute writings required by Lender in order that all money due or to become due under such contracts shall be assigned to Lender and proper notice of the assignment given under the Federal Assignment of Claims Act.

(k) Modifications. Without the prior written consent of Lender, Debtor shall not alter, modify, extend, renew or cancel any accounts, letter of credit rights or chattel paper constituting Collateral or any Collateral constituting part of the Debtor's borrowing base.

(l) Returns and repossessions. Debtor shall promptly notify Lender of the return to or repossession by Debtor of goods underlying any Collateral and Debtor shall hold and dispose of them only as Lender directs.

(m) Promissory Notes, Chattel Paper and Investment Property. If Debtor shall at any time hold or acquire Collateral consisting of promissory notes, chattel paper or certificated securities, Debtor shall endorse, assign and deliver the same to Lender accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time request.

(n) Change of name, address or organization. Debtor shall not change (i) Debtor's legal name, (ii) if Debtor is an individual Debtor's name as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, or (iii) Debtor's address, in each case without providing at least 30 days' prior written notice of the change to Lender. If Debtor is an individual, Debtor shall provide to Lender at least 30 days' written notice of any expiration of Debtor's driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence. If Debtor is an organization it shall not change its type of organization or state under whose law it is organized and shall preserve its organizational existence, and Debtor whether or not Debtor is an organization shall not, in one transaction or in a series of related transactions, merge into or consolidate with any other organization, change Debtor's legal structure or sell or transfer all or substantially all of Debtor's assets.

6. RIGHTS OF LENDER

(a) Authority to perform for Debtor. Upon the occurrence of an event of default or if Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Lender is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Lender at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(b) Charging Debtor's credit balance. Unless a lien would be prohibited by law or would render a nontaxable account taxable, Debtor grants Lender, as further security for the Obligations, a security interest and lien in any deposit account Debtor may at any time have with Lender and other money now or hereafter owed Debtor by Lender, and agrees that Lender may, at any time after the occurrence of an event of default, without prior notice or demand, set-off all or any part of the unpaid balance of the Obligations against any deposit balances or other money now or hereafter owed Debtor by Lender.

(c) Power of attorney. Debtor irrevocably appoints any officer of Lender as Debtor's attorney, with power after an event of default to receive, open and dispose of all mail addressed to Debtor (and Lender shall not be required as a condition to the exercise of this power to prove the occurrence of an event of default to the Post Office); to notify the Post Office authorities to change the address for delivery of all mail addressed to Debtor to such address as Lender may designate; to endorse the name of Debtor upon any instruments which may come into Lender's possession; and to sign and make draws under any letter of credit constituting Collateral on Debtor's behalf. Debtor agrees that Obligations may be created by drafts drawn on Lender by shippers of inventory named in Section 3. Debtor authorizes Lender to honor any such draft accompanied by invoices aggregating the amount of the draft and describing inventory to be shipped to Debtor and to pay any such invoices not accompanied by drafts. Debtor appoints any employee of Lender as Debtor's attorney, with full power to sign Debtor's name on any instrument evidencing an Obligation, or any renewals or extensions, for the amount of such drafts honored by Lender and such instruments may be payable at fixed times or on demand, shall bear interest at the rate from time to time fixed by Lender and Debtor agrees, upon request of Lender, to execute any such instruments. This power of attorney to execute instruments may be revoked by Debtor only by written notice to Lender and no such revocation shall affect any instruments executed prior to the receipt by Lender of such notice. All acts of such attorney are ratified and approved and such attorney is not liable for any act or omission or for any error of judgment or mistake of fact or law. This power is a power coupled with an interest and is given as security for the Obligations, and the authority conferred by this power is and shall be irrevocable and shall remain in full force and effect until renounced by Lender except as otherwise expressly provided in this Section 6(c).

(d) Non-liability of Lender. Lender has no duty to determine the validity of any invoice, the authority of any shipper named in section 3 to ship goods to Debtor or compliance with any order of Debtor. Lender has no duty to protect, insure, collect or realize upon the Collateral or preserve rights in it against prior parties. Debtor releases Lender from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except

7. DEFAULT

Upon the occurrence of one or more of the following events of default:

- (a) Nonperformance. Any of the Obligations are not paid when due, or Borrower or Debtor, as applicable, fails to perform, or rectify breach of, any warranty or covenant or other undertaking in this Agreement or in any evidence of or document relating to the Obligations or an event of default occurs under any evidence of or document relating to any other obligation secured by the Collateral;
(b) Inability to Perform. Borrower, Borrower's spouse, Debtor or a guarantor or surety of any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;
(c) Misrepresentation. Any warranty or representation made to induce Lender to extend credit to Debtor or Borrower, under this Agreement or otherwise, is false in any material respect when made; or
(d) Insecurity. At any time Lender believes in good faith that the prospect of payment or performance of any of the Obligations or performance under any agreement securing the Obligations is impaired;

all of the Obligations shall, at the option of Lender and without notice or demand, become immediately payable; and Lender shall have all rights and remedies for default provided by the Wisconsin Uniform Commercial Code and this Agreement, as well as any other applicable law, and under any evidence of or document relating to any Obligation, and all such rights and remedies are cumulative and may be exercised from time to time together, separately, and in any order. With respect to such rights and remedies:

- (e) Repossession. Lender may take possession of Collateral without notice or hearing, which Debtor waives;
(f) Assembling collateral. Lender may require Debtor to assemble the Collateral and to make it available to Lender at any place reasonably designated by Lender;
(g) Notice of disposition. Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice;
(h) Expenses and application of proceeds. Debtor shall reimburse Lender for any expense incurred by Lender in protecting or enforcing its rights under this Agreement, before and after judgment, including, without limitation, reasonable attorneys' fees and legal expenses (including those incurred in successful defense or settlement of any counterclaim brought by Debtor or incident to any action or proceeding involving Debtor brought pursuant to the United States Bankruptcy Code) and all expenses of taking possession, holding, preparing for disposition and disposing of Collateral (provided, however, Lender has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Lender shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it elects or as otherwise required by this Agreement. If Lender sells any Collateral on credit, Debtor will be credited only with payments that the purchaser actually makes and that Lender actually receives and applies to the unpaid balance of the purchase price of the Collateral; and
(i) Waiver. Lender may permit Debtor or Borrower to remedy any default without waiving the default so remedied, and Lender may waive any default without waiving any other subsequent or prior default by Borrower or Debtor. Lender shall continue to have all of its rights and remedies under this Agreement even if it does not fully and properly exercise them on all occasions.

8. WAIVER AND CONSENT

Each Debtor who is not also a Borrower expressly consents to and waives notice of the following by Lender without affecting the liability of any such Debtor: (a) the creation of any present or future Obligation, default under any Obligation, proceedings to collect from any Borrower or anyone else, (b) any surrender, release, impairment, sale or other disposition of any security or collateral for the Obligations, (c) any release or agreement not to sue any guarantor or surety of the Obligations, (d) any failure to perfect a security interest in or realize upon any security or collateral for the Obligations, (e) any failure to realize upon any of the Obligations or to proceed against any Borrower or any guarantor or surety, (f) any renewal or extension of the time of payment, (g) any allocation and application of payments and credits and acceptance of partial payments, (h) any application of the proceeds of disposition of any collateral for the Obligations to any obligation of any Debtor or Borrower secured by such collateral in such order and amounts as it elects, (i) any determination of what, if anything, may at any time be done with reference to any security or collateral, and (j) any settlement or compromise of the amount due or owing or claimed to be due or owing from any Borrower, guarantor or surety.

9. INTERPRETATION

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code, as amended from time to time, provided, however, that the term "instrument" shall be such term as defined in the Wisconsin Uniform Commercial Code-Secured Transactions Chapter 409. All references in this Agreement to sections of the Wisconsin Statutes are to those sections as they may be renumbered from time to time. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

10. PERSONS BOUND

Each person signing this Agreement is a Debtor. All Debtors are jointly and severally liable under this Agreement. This Agreement benefits Lender, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns and shall bind all persons and entities who become bound as a debtor to this Agreement. [] If checked here, this Agreement amends and replaces in their entirety the provisions of all existing General Business Security Agreements between Debtor and Lender; provided, however, that all security interests granted to Lender under those existing security agreements shall remain in full force and effect, subject to the provisions of this Agreement. Debtor acknowledges receipt of a completed copy of this Agreement.

11. ENTIRE AGREEMENT

THIS AGREEMENT IS INTENDED BY LENDER AND DEBTOR AS A FINAL EXPRESSION OF THIS AGREEMENT AND AS A COMPLETE AND EXCLUSIVE STATEMENT OF ITS TERMS, THERE BEING NO CONDITIONS TO THE ENFORCEABILITY OF THIS AGREEMENT, AND THIS AGREEMENT MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES TO THIS AGREEMENT. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES TO THIS AGREEMENT. THIS AGREEMENT MAY NOT BE SUPPLEMENTED OR MODIFIED EXCEPT IN WRITING SIGNED BY LENDER AND DEBTOR.

12. OTHER PROVISIONS

(If none stated below, there are no other provisions.)

SLIPSTREAM LLC (SEAL) DEBTOR

(SEAL) DEBTOR

Address: N1717 SOUTH MAIN STREET SEE SECTION 2(j) and (k)

FORT ATKINSON, WISCONSIN 53538

(LIMITED LIABILITY COMPANY) TYPE OF ORGANIZATION

(WISCONSIN) STATE OF ORGANIZATION

By: [Signature] TITLE: CEO / Founder

By: _____

() TITLE

*Type or print name signed above.

SECURED PROMISSORY NOTE

\$42,000.00

Whitewater, Wisconsin
September 23, 2014

FOR VALUE RECEIVED, Slipstream LLC, a Wisconsin limited liability company (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of FOURTY TWO THOUSAND DOLLARS (\$42,000.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on September 23, 2019 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to twelve percent (12.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten business days prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of August 29, 2013, by the Maker in favor of the Lender (the "Security Agreement").

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker; and

(ii) a certificate of an officer or the manager of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers and/or the manager who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note or the Security Agreement; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note and the Security Agreement, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full:

(a) as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker; and

(c) such other financial information relating to the Maker and its business as may be requested by the Lender.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum when due or perform any covenant, agreement, or obligation hereunder or under the Security Agreement, or an event of default shall occur under the Security Agreement;

(b) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; and

(c) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default, the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys' fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the

offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into 13,636 fully paid and nonassessable Common Units of the Maker (the "Common Units"), subject to adjustment as provided in Section 9(c) below. In the event that any of the principal balance of this Note has been prepaid in accordance with the terms hereof prior to a conversion by such holder, the number of Common Units into which this Note is convertible shall be reduced *pro rata* by that portion of the principal that has been so prepaid. By way of example only, if the original principal amount of this Note were \$10,000, and \$5,000 of such principal amount had been prepaid prior to conversion by the holder of this Note, then this Note would following such partial prepayment be convertible into 6,818 Common Units of the Maker.

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such conversion is to be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker's obligation to issue and deliver the Common Units acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Common Units or any other Common Unit Equivalents (defined below); or (B) subdivides outstanding Common Units into a larger number of Common Units or consolidates outstanding Common Units into a smaller number of Common Units; then the number of Common Units issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Common Units outstanding immediately after such event and of which the denominator shall be the number of Common Units (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, "Common Unit Equivalents" means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Common Units, including, without limitation, any debt, units other than the Common Units, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Units.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Common Units (and not to the holder of this Note) evidences of its indebtedness

or assets (including cash or cash dividends); *provided* that notwithstanding the foregoing, Maker may distribute from time to time during any calendar year amounts not to exceed 40 percent of Maker's annual taxable income during such year to holders of Common Units for purposes of satisfying such holders' income tax obligations attributable to their holding of the Common Units.

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Common Units are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Common Units or any compulsory unit exchange pursuant to which the Common Units are effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Common Unit that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one Common Unit (the "Alternate Consideration"). For purposes of any such conversion, the number of Common Units issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Unit in such Fundamental Transaction. If holders of Common Units are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder's right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker's Board of Directors in good faith will make an appropriate adjustment in the number of Common Units issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Common Units issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the

benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.

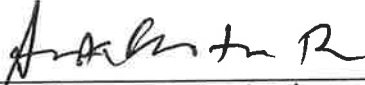
13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

Slipstream LLC

By: 
Name: SUJOYIT CHHOTAN BASU
Title: Founder & CEO

SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	0.50%	Level 1
2	\$500,001 to \$1,000,000	1.00%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	1.50%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.00%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	2.50%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.00%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	3.50%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.00%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	4.50%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 0.50% (total \$2,500), plus (b) \$500,000 multiplied by 1.00% (total \$5,000), plus (c) \$250,000 multiplied by 1.50% (total \$3,750) = \$11,250.

Memorandum

To: CDA Board Members

From: Patrick Cannon
Executive Director

CC: Mitch Simon

Re: Slipstream LLC

Date: July 2, 2013

As you recall at the May CDA meeting, the Board approved a loan to Slipstream LLC in the amount of \$100,000. The loan was to be converted into an equity investment once that process was determined. In addition, the Board approved a grant of \$10,000 to Slipstream LLC.

Determining the ability to create an equity investment has been difficult. Brian Lanser an attorney with Quarles and Brady has not been able to find an allowable Statute for us to work under. We are still looking at a different avenue on that.

In the mean time, Slipstream LLC would like to amend their request to go from a convertible loan to just a one year loan. They expressed a concern about their ability to raise additional investors if the CDA is listed as an investor in their documents. I have been working with Mitch Simon to come up with an agreement to satisfy the loan process.

Slipstream LLC would like a one (1) year loan at 4%.

The loan request has created a new set of questions that the Board will need to discuss. They are:

1. Collateral
The product that is being created is intellectual property. It is very difficult to place any type of mortgage or lien against this. The recommendation is to place a general Business Security Agreement (GBSA) against the assets of the company. Slipstream LLC will need to agree to this.
2. Personal Guarantees
We are asking for personal guarantees from the three members of the Board of Directors. We have determined that these would be the appropriate parties.
3. Term – Interest rate
My recommendation is that we offer a one (1) year loan at 4% interest and the entire principal and interest will be due at maturity.
4. We also want to indicate that during the life of the loan, they are required to maintain their principal place of business in Whitewater.

In discussing this with Mitch Simon, he indicated that this request is substantially different than the motion that was approved at the prior CDA meeting. Therefore, he indicated that we will need to have a CDA meeting to approve these changes.

With that in mind, I would like to schedule a short meeting to discuss this and hopefully take action on it. We will contact you to determine when everyone can meet.

If you have any questions, please let me know.

CONFIDENTIAL

EXHIBIT 14

Item 9.

Subject: City Loan
From: James Jackson (james.jackson@gostrive.com)
To: pcannon53590@yahoo.com;
Cc: jpk@knightpublicaffairs.com;
Date: Tuesday, July 9, 2013 12:18 PM

Pat, copy to Jeff,

I just spoke with Choton and he said you guys just talked. I appreciate all your help and communication on this but I think we are getting further away. I also appreciate your work in creative solutions but it can't be this hard and I'm wondering what or who is behind it.

I'm curious what the thought process is behind the personal guarantee that seems to be holding up the investment? We know it isn't a WEDC requirement as we spoke with them yesterday and they were shocked that we were even asked. Is this something locally? Fundamentally, it doesn't make any sense for us to have gone through due diligence and then be asked for personal guarantees in the 11th hour. In all my years of start-ups I've never heard something so absurd. None of our investors have or expect personal guarantees.

When we were approved I was happy to see the public/private partnership working well. It seemed Whitewater was entrepreneur-friendly and trying to help. Costing us 6 weeks of time and then adding "strings" to an investment is completely the opposite of entrepreneur-friendly. We took the city's word once we heard notice of approval and ear-marked the funds for growth. We manage budgets daily and weekly, not annually. Had we known there were so many hoops to jump through, we would have continued raising that amount through investors that understand the risk/reward of early stage. I can't in good conscience explain at a board meeting how our largest individual investors get less security than the city. I would love to sit down at a table face to face with those behind asking for this and hear their reasoning and understanding of how start-ups work. When can we make that happen this week?

If we have to do personal guarantees, we'd go directly to the bank and do it and avoid 6+ weeks of wasted time. At this point, this has cost us thousands of dollars in lost time.

James

James Jackson
m: 608.345.3150





Patrick A. Cannon
Executive Director
P.O. Box 178

EXHIBIT

Item 9.

312 W. Whitewater Street
Whitewater, WI 53190

PHONE: (262) 473-0148

FAX: (262) 473-0549

Email: pcannon@whitewater-wi.gov

WEBSITE: www.whitewater-wi.gov

July 9, 2013

James Jackson
Chief Operating Officer
Strive
1221 Innovation Drive
Suite 121
Whitewater, WI 53190

Re: Slipstream Application
Capital Catalyst Fund

Dear James:

At this time, there appears to be lots of confusion regarding the grant/equity request that Slipstream LLC (Slipstream) made to the Whitewater Community Development Authority (CDA). I wanted to try to put everything in writing so that all parties are working with the same information.

Earlier this year, Jeff Knight and I meet with representatives of Slipstream to talk about the new Capital Catalysts Fund program. At that meeting, Slipstream requested a \$10,000 grant as well as an equity investment from the CDA. At that time, all parties were under the impression that the CDA could offer an equity investment. Subsequent to that time, via work with the Quarles and Brady Law Firm, we have determined that the completion on an equity investment would take some additional time and understanding of allowable State Statutes.

As part of the application process, Slipstream provided the CDA with materials regarding their product and financial history and projections. The CDA has utilized this information to base its decisions on the grant and equity investment.

At their May meeting, the CDA Board met in closed session to discuss your request. Returning to open session, the body approved a grant of \$10,000 and an equity investment of \$100,000. The equity invest was designated as a loan that could be converted into an equity position once the process for this type of investment was defined.

At this time the grant award has been completed and the check has been issued. Therefore, this portion of the process with the exception of the necessary reporting has been completed.

Because of the difficulty in completing an equity investment from our standpoint, the CDA offered a loan that could be converted into an equity position in the short term future. This was done to allow the CDA to provide the funding quickly and to still meet the intent to the Capital Catalyst Fund. At the request of Slipstream the application was changed to become a loan only under the program. You had indicated that Slipstream had a concern in their desire to raise additional investments if the CDA was shown as an equity participant in the company. Both parties also felt that the loan process would help to distribute the funds in a timelier manner.

In developing the appropriate documents for the loan, the CDA determined that it would require both a General Business Security Agreement (GBSA) and personal guarantees from the principals in the company. In general, the CDA must follow certain precautions to protect its investments. Under other programs, this is the standard by which the CDA operates. While, this program is new and your business is both a start-up and is producing an intellectual product, the guarantees have reached us to a point of potential impasse. The GBSA development and requirement appears to be an agreeable term. However, the personal guarantees may prove to be impractical to obtain.

On July 5, 2013 the CDA board again met to discuss the change request from a loan/equity request to being a straight loan request. The Board approved the request in open session. The Board indicated that either the Capital Catalyst fund or the Revolving Loan Fund could be used as the source of funds from the CDA.

At this time, I believe that we have two options on proceeding with the \$100,000 allocation. They are:

Option #1 The CDA would grant a loan to Slipstream for the term of 1 year at 4% interest. The CDA would use a different funding source internally rather than the Capital Catalyst fund. Under the terms of this program, we would need to be able to verify the creation of and maintaining of at least 5 full time positions. The program allows for a loan of \$20,000 per each FTE position created.

Option #2 The CDA would again offer a loan that would be converted into an equity position within Slipstream. In doing so, the need for a personal guarantee is no longer required. We feel that the equity of the company is sufficient to protect our investment. This process may take some additional time as we determine the method by which we can complete an equity investment.

I hope this brief summary places everyone on the same page. Please let me know how you wish to proceed.

Sincerely,

Patrick Cannon
Executive Director

CC: Jeff Knight
Mitch Simon
Choton Basu

Home Mail News Sports Finance Weather Games Groups Answers Screen Flickr Mobile More

Search Mail

Search Web

Patrick



Compose

Navigation icons: back, forward, delete, move, spam, more

Inbox

Drafts

Sent

Spam (3)

Trash (94)

Folders (11)

Baraboo

confirmations

credit card payments

Deleted Items

friends

Horeses

houses

ICMA CAB

ICMA CONFERENCE MILWA

ICMA Phoenix

Insurances

JOBS - Employment

jokes

Majeres reception

Melanie

Notes

PAC 24

Patrick Cannon save items

reunion

Sallie Mae

SPIC

Steve wholesale

Synced Messages

thanks

WCMA (11)

WCMA Committees

Whitewater

wilderness volunteers

Recent

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LifeCellSkin

74-Yr-Old Outsmarts Doctors, Reduces Her Wrinkles.

Re: GoStrive Proposal - Please read (Important)

Basu, Choton

Today at 6:40 AM

To Me,acs@knightpublicaffairs.com, Jeffery Knight

Pat and Jeff -

This is a critical time for our company given our national campaign and growth. Will you guys consider the following and act on it fast:

* Fund us for \$32,000. If you can do this and waive the personal guarantee that would be awesome but if it is absolutely imperative you have to have it, I will sign it. My only request is that we will need this by next week. This week would be better but I don't want to be unreasonable.

* I cannot personally sign the guarantee for the 200-300K in our original application. So this is what I am proposing to keep growing the company.

* My reasons are as follows: I am going next week to North Carolina. We have an investor group that is interested in investing 100K to 150K We will probably get that money by end of the month or early May, which will help us to keep charging.

* On May 20th we have a huge meeting with the marketing and investor arm of American Family. If that sponsorship and investment hits we are off to the races. Their marketing group is super excited about having their local agents featured in our app by zip codes and local searches. If the marketing team jumps on board then Dan Reed their investment arm also picks up a big portion of our current raise.

* Lastly is there any way you are able to give us another 10K grant from the Capital catalyst fund? I know that's a one time deal but can exceptions be made? I have to ask.

We are at a critical time in our company and currently trying to upload data from over 50 agencies with need to call over 60 other agencies to turn on their registration through us. In other words I can run around trying to raise this 32K-40K from other sources or focus on growing the company and executing. Is there any way you can help us out with this? I would appreciate a fast response. We are literally 32K away from growing this company fast. Thanks for your consideration. Pat my mobile is 920-650-8800.

Also just so you know how close we are to greatness: I have attached a screenshot of our online credit card processing from three communities only: Whitewater (all events), Fort Atkinson (only baseball and soccer) and Lake Mills (only 24 events). As you can see that without any major marketing push to get community users to use the app we processed over \$22,000 dollars. Granted that we keep a very small portion of the money that goes through us - do you realize the potential of what will happen as we turn on the bigger agencies and communities?

Best, [cid:025691D0-2BBE-4A3C-82C3-0524C3D5EDA2] Choton

Suvojit Choton Basu Associate Professor, College of Business & Economics Sam Walton Fellow, UWW-Enactus University of Wisconsin-Whitewater basuc@uww.edu Dir: 262-472-5005

This communication, together with any attachments hereto or links contained herein, is for the sole use of the intended recipient(s) and may contain information that is confidential, privileged, or legally protected, and as such is not a public document. If you are not the intended recipient, you are hereby notified that any review, disclosure, copying, dissemination, distribution or use of this communication is STRICTLY PROHIBITED. If you have received this communication in error, please notify the sender immediately by return e-mail message and delete

The Roth IRA advertisement with Fidelity logo and 'Get the Answers' button.

by pjaku on flickr

The undersigned ("Customer," whether one or more) agrees with the undersigned lender ("Lender") as follows:

1. **Loans.** Customer requests that Lender lend to Customer from time to time such amounts as Customer may request in accordance with this Agreement (the "Loans"), and subject to the terms of this Agreement, Lender agrees to make such Loans up to (a) the aggregate principal amount of \$32,000.00 at any time outstanding (the "Credit Limit"), within which amount Customer may borrow, repay and reborrow under this agreement (b) the aggregate principal amount of \$ _____ (the "Credit Limit"). Lender is not obligated to but may make Loans in excess of the Credit Limit, and in any event Customer is liable for and agrees to pay to Lender at Lender's address shown below all Loans, interest and other charges made to or imposed on Customer under this Agreement.

2. **Loan Procedures.** Customer may obtain Loans under this Agreement only as provided below:

(a) Customer shall give Lender at least Seven (7) business days' prior notice of any Loan requested under this Agreement, specifying the date and amount of the Loan. Lender will make the Loan available to Customer by crediting the amount of the Loan to Customer's deposit account no. _____ with Lender by issuance of check _____.

(b) Whenever the ledger collected balance in Customer's deposit account no. _____ with Lender is less than \$ _____ on any business day ("Trigger Amount"), for whatever reason, Customer requests Lender to automatically advance funds in increments of \$ _____ to such deposit account in an amount sufficient to increase the balance to the Trigger Amount, or such lesser amount as may be available to Customer under this Agreement.

(c) _____

3. **Fees.** Customer agrees to pay to Lender the following nonrefundable fees as a condition of access to Loans under this Agreement:

(a) Commitment fee in the amount of \$ _____ payable _____.

(b) Commitment fee in an amount equal to _____ % per year of the average daily unused portion of the Credit Limit from the date of this Agreement until the Termination Date (as defined below), payable at the times interest is payable under section 5 on the _____ day of each _____.

(c) All reasonable expenses of Lender incurred in documenting and processing the Loans, including without limitation all reasonable attorneys' fees

Customer agrees to repay any fees and charges described in this Agreement as Loans under this Agreement if such fees and charges are not required by Lender to be paid in cash by Customer at the time the fee or charge is incurred under this Agreement. Furthermore, charges for credit insurance if separately requested by Customer may be charged by Lender as Loans to Customer under this Agreement.

4. **Interest.** Interest shall accrue before maturity (whether by acceleration or lapse of time) at the stated interest rate(s) identified in section 4(a), (b) or (c) below (each a "stated interest rate"), as applicable, on the unpaid principal balance, calculated as provided in section 4(f) below:

[Check (a), (b) or (c); only one shall apply.]

(a) **Fixed Interest Rate.** 6.00 %.

(b) **Stepped Fixed Interest Rate.** _____ % until _____ and _____ % thereafter.

(c) **Variable Interest Rate.** The stated interest rate is variable and will adjust to equal the Index Rate (defined below) plus minus _____ percentage points. However, the stated interest rate shall not exceed _____ % and shall not be less than _____ % and until the first change date described below the stated interest rate shall be _____ %. The stated interest rate shall be adjusted on the change dates provided below. The "Index Rate" is:

The prime rate The reference rate The base rate, adopted by Lender _____ from time to time as its base or reference rate for interest rate determination

The Index Rate may or may not be the lowest rate charged by Lender. The stated interest rate shall be adjusted on the following change dates: the first day of each month each scheduled payment date as and when the Index Rate changes _____

A change in the interest rate will apply both to the unpaid principal balance of Loans outstanding under this Agreement and to new Loans. If the Index Rate ceases to be made available to Lender during the term of this Agreement, Lender may substitute a comparable index.

If section 4(b) or 4(c) is checked, a change in the interest rate will result in an increase or decrease in the amount of each payment of interest due under this Agreement.

(d) **Interest After Maturity.** Interest shall accrue on unpaid principal and interest after maturity (whether by acceleration or lapse of time) until paid at the stated interest rate(s) under 2(a), (b) or (c) above, as applicable, plus _____ percentage points x at the stated interest rate of 10.00 % calculated as provided in section (f) below.

(e) **Compounding.** Prior to maturity (whether by acceleration or lapse of time) unpaid and past due interest shall bear interest from its due date at the stated interest rate then in effect for this Agreement, calculated as provided in section 4(f) below.

(f) **Interest Calculation.** Interest will be calculated by applying a daily interest rate for the actual number of days interest is owing, up to 365 days in a full year or 366 days in a full leap year. The daily interest rate will be calculated as follows:

[Check (1) or (2); only one shall apply.]

(1) **360 Day Rate Calculation.** The daily interest rate will be calculated on the basis of a 360 day year, which means that it is calculated by dividing the applicable stated interest rate in section 4(a), (b) or (c), above, applicable, and in section 4(d), above, by 360. **Customer understands and agrees that calculating the daily interest rate using a 360 day year means the actual annual interest rate in a 365 day year and in a 366 day leap year is higher than the stated interest rate in section 4(a), (b) or (c), above, as applicable, and in section 4(d), above.**

(2) **365 Day Rate Calculation.** 365 Day Rate Calculation. The daily interest rate will be calculated on the basis of a 365 day year, which means that it is calculated by dividing the applicable stated interest rate in section 4(a), (b) or (c), above, applicable, and in section 4(d), above, by 365. **Customer understands and agrees that calculating the daily interest rate using a 365 day year means the actual annual interest rate in a 366 day leap year is higher than the stated interest rate in section 4(a), (b) or (c), above, as applicable, and in section 4(d), above.**

(g) **Other Charges.** If any payment (other than the final payment) is not made on or before the _____ day after its due date, Lender may collect a delinquency charge of _____ % of the unpaid amount _____. Customer agrees to pay a charge of \$ _____ for each for each check or electronic debit presented for payment under this Agreement which is returned unsatisfied.

5. **Payment Schedule.** Customer agrees to pay to Lender the unpaid principal balance of Loans outstanding under this Agreement and accrued interest as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

In one payment on demand the Termination Date (as defined below).

(b) In payments of the unpaid accrued interest, beginning _____, and on the same day(s) of each _____ month thereafter, plus a final payment of unpaid principal and the unpaid accrued interest due on the Termination Date (as defined below).

(c) In payments each equal to _____ % of the unpaid principal balance of Loans, plus the unpaid accrued interest, beginning _____, and on the same day(s) of each _____ month thereafter, plus a final payment of unpaid principal of loans and the unpaid accrued interest due on the Termination Date (as defined below).

(d) _____

In addition, Customer shall immediately pay any amount by which the Loans exceed the Credit Limit, any prior unpaid payments and any unpaid fees and charges. Lender is authorized to automatically charge payments due under this Agreement to any account of Customer with Lender. If payments are not automatically charged to Customer's account, payments must be made to Lender at its address shown below and are not credited until received in Lender's office. Lender is authorized to make book entries evidencing Loans and payments under this Agreement and the aggregate unpaid amount of all Loans as evidenced by those entries is presumptive evidence that those amounts are outstanding and unpaid to Lender. All payments shall be applied first to accrued and unpaid interest, second to other charges payable by Customer to Lender and third to unpaid principal.

This Agreement includes the Additional Provisions on page 2. Dated as of APRIL 28, 2014.

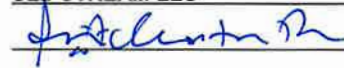
LENDER


CUSTOMER

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (SEAL)

SLIPSTREAM LLC (SEAL)

(Name of Lender)
312 West Whitewater Street, Whitewater, Wisconsin 53190
(Address)





By Suvojit Choton Basu

By Patrick Cannon

(Founder and Chief Visionary Officer)

(Executive Director) (Title)

ADDITIONAL PROVISIONS

AS
Item 9.

6. **Termination.** Unless sooner terminated under section 10, Customer's right to obtain Loans and Lender's obligations to make Loans under this Agreement shall terminate on the date payment is due on demand under section 5(a), if applicable, or on April 28, 2015 (the "Termination Date"), whichever is earlier. If checked here, the Termination Date shall be automatically extended from year to year for one year periods after this date unless Lender gives Customer notice to the contrary at least 30 days prior to the Termination Date, as extended from year to year. Customer may terminate Customer's right to obtain Loans under this Agreement at any time by written notice to Lender. Such notice of termination signed by a Customer shall be binding on each Customer who signs this Agreement. Termination, for whatever reason, does not affect Lender's rights, powers and privileges, nor Customer's duties and liabilities, with regard to the then existing balance due under this Agreement. Lender may refuse to grant any Loan request received by Lender on or after the earlier of the Termination Date or the date payment is due on demand under section 5(a), if applicable.

7. **Persons Bound and Other Provisions.** This Agreement shall be binding upon and inure to the benefit of Lender and Customer and their respective heirs, personal representatives, successors and assigns, except that Customer may not assign or transfer any of Customer's rights under this Agreement.

8. **Financial Statement.** Customer shall furnish to Lender financial statements at least annually and such other financial information respecting Customer at such times and in such form as Lender may request from time to time.

9. **Security Interest.** This Agreement is secured by all existing and future security agreements, assignments and mortgages from any Customer to Lender, from any guarantor of this Agreement to Lender, and from any other person providing collateral security for Customer's obligations to Lender under this Agreement (each a "Security Document" and collectively the "Security Documents"), and payment of the Loans may be accelerated according to any of them. Unless a lien would be prohibited by law or would render a nontaxable account taxable, Customer also grants to Lender a security interest and lien in any deposit account Customer may at any time have with Lender. Lender may at any time after the occurrence of an event of default set-off any amount unpaid under this Agreement against any deposit balances or other money now or hereafter owed to Customer by Lender.

10. **Default and Acceleration.** Upon the occurrence of any one or more of the following events of default: (a) Customer fails to pay any amount when due under this Agreement or under any other instrument evidencing any indebtedness of Customer to Lender, (b) any information provided by Customer in connection with this Agreement is or was false or fraudulent in any material respect, (c) a material adverse change occurs in Customer's financial condition, (d) Customer fails to timely observe or perform any of the duties contained in this Agreement, (e) Customer, Customer's spouse or any surety or guarantor for any of the Customer's indebtedness under this Agreement dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings, (f) any guaranty of Customer's obligations under this Agreement is revoked or becomes unenforceable for any reason, or (g) an event of default occurs under any Security Document;

then at Lender's option, and upon written or verbal notice to Customer, Lender's obligation to make Loans under this Agreement shall terminate and the total unpaid balance shall become immediately due and payable without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Customer. Lender's obligation to make Loans under this Agreement shall automatically terminate and the total unpaid balance shall automatically become due and payable in the event Customer becomes the subject of bankruptcy or other insolvency proceedings. Lender may waive any default without waiving any other subsequent or prior default. Customer agrees to pay all costs of collection, before and after judgment, including, without limitation, reasonable attorneys' fees (including those incurred in successful defense or settlement of any counterclaim brought by Customer or incident to any action or proceeding involving Customer brought pursuant to the United States Bankruptcy Code). Customer agrees to indemnify and hold harmless Lender, its officers, directors, employees and agents, for, from and against any and all claims, damages, judgments, penalties and expenses, including reasonable attorneys' fees, arising directly or indirectly from credit extended under this Agreement or the activities of Customer. This indemnity shall survive termination of this Agreement, the repayment of all Loans and the discharge and release of any collateral for the Loans.

11. **No Waiver; Remedies.** No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law or other agreement.

12. **Entire Agreement; Use of Proceeds.** THIS AGREEMENT AND THE SECURITY DOCUMENTS, ARE INTENDED BY LENDER AND CUSTOMER AS A FINAL EXPRESSION OF THIS AGREEMENT AND AS A COMPLETE AND EXCLUSIVE STATEMENT OF ITS TERMS, THERE BEING NO CONDITIONS TO THE FULL EFFECTIVENESS OF THIS AGREEMENT EXCEPT AS SET FORTH IN THIS AGREEMENT AND THE SECURITY DOCUMENTS, AND THIS AGREEMENT MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES TO THIS AGREEMENT. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES TO THIS AGREEMENT. Customer represents and warrants to Lender that no part of any Loan will be used for personal, family or household purposes.

13. **More Than One Customer.** If more than one person signs this Agreement as Customer, any Customer acting alone may request Loans under this Agreement, but each Customer is jointly and severally liable for all Loans and other obligations under this Agreement.

14. **Notice.** Except as otherwise provided in this Agreement, all notices required or provided for under this Agreement shall be in writing and mailed, sent or delivered, if to Customer, at any Customer's last known address as shown on the records of Lender, and if to Lender, at its address shown on the reverse side, or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices shall be deemed duly given when delivered by hand or courier, or three business days after being deposited in the mail (including any private mail service), postage prepaid, provided that notice to Lender pursuant to section 6 shall not be effective until received by Lender and Lender has a reasonable opportunity to act on the notice.

15. **Name and Address.** Customer represents that the legal name of Customer and the address of Customer's principal residence are as set forth on page one. Customer shall not change its legal name or address without providing at least 30 days prior written notice of the change to Lender.

16. **Venue.** Customer consents that venue for any legal proceeding relating to enforcement of this Agreement shall be, at Lender's option, the county in which Lender has its principal office in this state, the county in which Customer resides, or the county in which this Agreement was executed by Customer, and Customer submits to the jurisdiction of any such court.

17. **Amendment.** No amendment or modification of any provision of this Agreement shall in any event be effective unless it is in writing and signed by Lender and Customer. Any waiver by Lender shall be effective only in the specific instance and for the specific purposes for which given.

18. **Interpretation.** Each Customer acknowledges that Lender has not made any representations or warranties with respect to, and that Lender does not assume any responsibility to Customer for, the collectability or enforceability of this Agreement or the financial condition of any Customer. Each Customer has independently determined the collectability and enforceability of this Agreement. The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin except to the extent such laws are preempted by federal law. Invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement.

19. **Other Provisions.** (If none stated, there are no other provisions.)

The Customer acknowledges that the Loans and all other obligations of the Customer under this Agreement are secured by the assets of the Customer as provided in that certain General Business Security Agreement dated on or about August 29, 2013, by the Maker in favor of the Lender.

The Customer hereby appoints Suvojit Choton Basu (or such other representative as Suvojit Choton Basu may designate to the Lender in writing) as its authorized representative to request Loans under Section 2 of this Agreement.

pac 02/10/2015

Slipstream
Letter of Credit Draws

Draw	Amount	Date	Interest Rate	Mature Date	Days	Interest Cost per Day	Interest Cost	Payoff Amount
1	\$ 6,000.00	04/28/2014	6.00%	02/10/2015	288	\$ 1.00	\$ 288.00	\$ 6,288.00
2	\$ 6,000.00	05/14/2014	6.00%	02/10/2015	272	\$ 1.00	\$ 272.00	\$ 6,272.00
3	\$ 14,000.00	06/02/2014	6.00%	02/10/2015	253	\$ 2.33	\$ 590.33	\$ 14,590.33
4	\$ 2,000.00	06/18/2014	6.00%	02/10/2015	237	\$ 0.33	\$ 79.00	\$ 2,079.00
5	\$ 4,000.00	09/29/2014	6.00%	02/10/2015	134	\$ 0.67	\$ 89.33	\$ 4,089.33
							<u>\$ 1,318.67</u>	<u>\$ 33,318.67</u>

pd
CK # 5230
2-10-15
[Signature]

EXHIBIT 18

MEMORANDUM

To: Whitewater Community Development Authority

From: Patrick Cannon
Executive Director

Re: Slipstream
Request to modify Loan Agreement

Date: January 20, 2015

In 2013, the CDA entered into a Capital Catalyst Loan Agreement with Slipstream LLC for \$102,500. The note carries an interest rate of 4%.

The original note was for a two year period. Under the terms of the note, Slipstream was to pay 12 months worth of interest after one year. Then every quarter, they were to pay 25% of the outstanding principal balance plus interest. The entire note would then be retired at the end of two years. James Jackson was the CFO at that time and he negotiated the terms. Mr. Jackson is no longer with the company.

At the conclusion of the initial year, Slipstream paid the interest charge. In December, the initial quarterly payment was due. In discussing this with Representative of the company, they were not aware of the quarter principal payment. They did pay the interest charge.

In addition to this note, the CDA also has two other notes to Slipstream and/or Choton Basu for \$42,000 and \$32,000 respectively. At this time, these notes are not delinquent.

As per the attached letter, Slipstream is requesting a modification to the repayment schedule of their outstanding notes. They would like to convert the notes into an equity position. They feel this will greatly benefit both the CDA and Slipstream. Based upon their conversion schedule, the notes would convert into approximately 3.9% ownership in the company.

Please let me know if you have any questions or need any additional information.

MEMORANDUM

To: Whitewater Community Development Authority

From: Patrick Cannon
Executive Director

Re: Slipstream LLC
Loan extensions

Date: February 17, 2015

As you are aware, Slipstream LLC has asked for an extension of their two Capital Catalyst Loans. The third loan that they had was a Line of Credit with the UDAG funds. I wanted to update you on status of both agreements.

UDAG Loan

The UDAG funds were used as a line of credit for Slipstream. They were permitted to make draws on that account up to the pre established limit of \$32,000. The line of credit did have a call date of April, 2015. Slipstream has paid in full the line of credit. They made the payment last week.

The original line of credit had allowed them to borrow, then payback and re-borrow the funds during the life of the loan. Since this original document expires in two months, they would like to establish a second agreement with similar terms.

They have verbally indicated that they do not intend to use the funds unless it is an emergency. They would just like to know it is available if needed.

Capital Catalyst Loans

Slipstream currently has two outstanding loans with the CDA. One is conventional loan while the other is a Royalty Investment. The conventional loan does require payments on a quarterly basis and the other loan is based upon a percentage of their gross sales. As you are aware, they did not make their payment in December, 2014 and at the last meeting the Board agreed to extend the loan for an additional 12 months.

We have redrafted the both loan documents. Copies are attached. Some of the language changes are identical in both documents. Here are the areas that were adjusted.

1. The loan agreement was extended for 12 additional months. They will be required to make their quarterly payments in the third year and the loan will be paid in full in August 2016.
2. There is no change in the term of the Royalty Investment.
3. Language regarding a "cross default" was also included. In general terms, if they default on one loan, both loans become due.

4. The documents added language regarding cessation of business in Whitewater. The original documents did not address this concern. Under the new terms, if the company relocates outside of Whitewater and leaves less than one full time employee here, the loans become due.
5. As a consideration for the loan extension, the Board indicated that we “enhance” any conversion language that would apply to this loan. The new language increases the conversion rate by 25%. For example, if we were getting 100 shares of stock before, we will now get 125 shares.

We have presented draft documents to Slipstream for their review and comments. I indicated that the CDA will be discussing this matter at the February meeting.

Please let me know if you have any questions.

CONFIDENTIAL

AMENDED AND RESTATED SECURED PROMISSORY NOTE

\$102,500.00

Whitewater, Wisconsin
August 29, 2013as amended and restated as of February 26, 20157
9/11/2013

FOR VALUE RECEIVED, SLIPSTREAM LLC, a Wisconsin limited liability company (the “Maker”), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the “Lender”), the principal sum of ONE HUNDRED TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$102,500.00), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this “Note”) shall be three (3) years, with all unpaid principal and interest due and payable on August 29, 2016 (the “Maturity Date”). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) From the date hereof through and including August 29, 2015 (the “Anniversary Date”), the unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to four percent (4.00%). From and excluding the Anniversary Date through and including the Maturity Date, the unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to (i) the Prime Rate as published on the last business day preceding the Anniversary Date plus (ii) two percent (2.00%). The term “Prime Rate” means the rate of interest published by the Wall Street Journal and designated as the Prime Rate in the “Money Rates” section of such publication. If such publication describes the Prime Rate as a range of rates, for purposes of this Note, the Prime Rate shall be the highest rate designated in such range. All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year.

(b) The Maker shall make a payment of all accrued but unpaid interest on the Anniversary Date. The Maker shall make payments of principal in the amount of \$25,000 plus all accrued but unpaid interest on December 31, 2015, March 31, 2016, and June 30, 2016, with a fourth and final payment of all outstanding principal, accrued interest, and all other amounts owed hereunder due on the Maturity Date.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days’ prior written notice, and the holder shall

have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of August 29, 2013, by the Maker in favor of the Lender (the "Security Agreement").

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker; and

(ii) a certificate of an officer or the manager of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers and/or the manager who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full:

(a) as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker; and

(c) such other financial information relating to the Maker and its business as may be requested by the Lender.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum due or perform any covenant, agreement, or obligation hereunder or under the Security Agreement, or an event of default shall occur under the Security Agreement;

(b) A default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness.

(c) The Maker shall cease active conduct of its principal business operations at a location that is in the City of Whitewater, Wisconsin (as such City boundaries are modified from time to time, the “Territory”) (failure of the Maker to employ at least one (1) employee in its principal business operations in the Territory shall be deemed to be the cessation of the active conduct of the Maker’s principal business operations), and such cessation continues for an uninterrupted period in excess of forty-five (45) days or exists for periods that total in excess of sixty (60) days within any twelve (12)-month period. Notwithstanding the foregoing, in the event that such cessation is due to fire or other casualty, such cessation shall not be considered an Event of Default if the Maker sends written notice of the casualty to the Lender within forty-five (45) days of the date of such casualty and the Maker resumes active conduct of its principal business operations in the Territory within a time period reasonably acceptable to the Lender.

(d) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; or

(e) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Sections 6(a) through Section 6(c), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon the occurrence of an Event of Default under Section 6(d) through Section 6(e), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys’ fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into 41,598 fully paid and nonassessable Common Units of the Maker (the "Common Units"), subject to adjustment as provided in Section 9(c) below. In the event that any of the principal balance of this Note has been prepaid in accordance with the terms hereof prior to a conversion by such holder, the number of Common Units into which this Note is convertible shall be reduced *pro rata* by that portion of the principal that has been so prepaid. By way of example only, if the original principal amount of this Note were \$10,000, and \$5,000 of such principal amount had been prepaid prior to conversion by the holder of this Note, then this Note would following such partial prepayment be convertible into 20,799 Common Units of the Maker.

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such conversion is to be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker's obligation to issue and deliver the Common Units acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of

any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Common Units or any other Common Unit Equivalents (defined below); or (B) subdivides outstanding Common Units into a larger number of Common Units or consolidates outstanding Common Units into a smaller number of Common Units; then the number of Common Units issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Common Units outstanding immediately after such event and of which the denominator shall be the number of Common Units (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, "Common Unit Equivalents" means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Common Units, including, without limitation, any debt, units other than the Common Units, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Units.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Common Units (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends); *provided* that notwithstanding the foregoing, Maker may distribute from time to time during any calendar year amounts not to exceed 40 percent of Maker's annual taxable income during such year to holders of Common Units for purposes of satisfying such holders' income tax obligations attributable to their holding of the Common Units.

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Common Units are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Common Units or any compulsory unit exchange pursuant to which the Common Units are effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Common Unit that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one Common Unit (the "Alternate Consideration"). For purposes of any such conversion, the number of Common Units issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Unit in such Fundamental Transaction. If holders of Common Units are given any choice as to the securities, cash or

property to be received in a Fundamental Transaction, then the holder hereof shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions and evidencing such holder's right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker's Board of Directors in good faith will make an appropriate adjustment in the number of Common Units issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Common Units issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.

13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

15. Amendment and Restatement. This Amended and Restated Secured Promissory Note is an amendment and restatement of that certain Secured Promissory Note in the original principal amount of \$102,500.00 dated August 29, 2013, executed by the Maker payable to the order of the Lender (the "Prior Note") and evidences an extension, continuation, and renewal of the indebtedness evidenced by the Prior Note. The Maker hereby acknowledges and agrees that such indebtedness has not been repaid or extinguished and that the execution hereof does not constitute a novation of the Prior Note. Moreover, this Amended and Restated Secured Promissory Note shall be entitled to all security and collateral to which the Prior Note was entitled, without change or diminution in the priority of any lien or security interest granted to secure the Prior Note.

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

SLIPSTREAM LLC

By: 

Name: SUVOJIT CHOTON BASU
Title: FOUNDER & CEO

AMENDED AND RESTATED SECURED PROMISSORY NOTE

\$42,000.00

Whitewater, Wisconsin

August 27, 2014

as amended and restated as of February 26, 2015

7
9/23/2014

FOR VALUE RECEIVED, Slipstream LLC, a Wisconsin limited liability company (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of FORTY-TWO THOUSAND DOLLARS (\$42,000.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on August 27, 2019 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

(a) The unpaid principal amount of this Note shall bear interest at a fixed rate per annum equal to twelve percent (12.00%). All interest due under this Note shall be computed for the actual number of days outstanding on the basis of a 365-day year. If at any time and for any reason whatsoever, the interest rate payable hereunder shall exceed the maximum rate of interest permitted to be charged by the Lender to the Maker under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, with any excess interest collected being applied against principal.

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date.

(c) Notwithstanding the foregoing, the Maker shall pay to the Lender all outstanding principal, accrued interest, and all other amounts owed hereunder upon the earliest to occur of the following: (i) the Maturity Date, or (ii) the acceleration of the amounts owing under this Note due to an Event of Default (as defined below). All payments hereunder will be applied first to accrued and unpaid interest and the balance, if any, to principal.

2. Prepayment. The Maker may make prepayments, in whole or in part, at any time prior to the Maturity Date without penalty. Prior to any such prepayment, the Maker shall provide the holder of this Note with at least ten (10) business days' prior written notice, and the holder shall have the opportunity to convert this Note in accordance with the terms hereof (if this Note is then convertible) in lieu of such prepayment.

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of August 29, 2013, by the Maker in favor of the Lender (the "Security Agreement").

4. Conditions Precedent. The obligation of the Lender to make the Loan is subject to the satisfaction on or before the date of this Note of each of the following express conditions precedent:

(a) The Lender shall have received each of the following (each to be properly executed, dated, and completed), in form and substance satisfactory to the Lender:

(i) this Note duly executed by the Maker; and

(ii) a certificate of an officer or the manager of the Maker, dated as of the date of this Note, as to (A) the incumbency and signature of the officers and/or the manager who have signed this Note and any other documents or materials to be delivered by the Maker to the Lender pursuant to this Note; (B) the adoption and continued effect of resolutions of the governing body of the Maker authorizing the execution, delivery, and performance of this Note, together with copies of those resolutions; and (C) the accuracy and completeness of copies of the organizational documents of the Maker, as amended to date, attached thereto.

(b) The Lender shall have received such other agreements, instruments, documents, certificates, and opinions as the Lender or its counsel may reasonably request.

5. Covenants. From and after the date of this Note and until the entire amount of principal of and interest due on the Loan, and all other amounts of fees and payments due under this Note and the Security Agreement, are paid in full:

(a) as soon as available, and in any event within one hundred twenty (120) days after the close of each fiscal year, a copy of the detailed annual financial statements of the Maker prepared in reasonable detail and in accordance with generally accepted accounting principles;

(b) as soon as available, and in any event within thirty (30) days after the end of each fiscal quarter, (i) a company-prepared balance sheet of the Maker as of the end of each such fiscal quarter and of the prior four fiscal quarters; and (ii) statements of income of the Maker for each such fiscal quarter and for the prior four fiscal quarters, all in reasonable detail and certified as true and correct, subject to audit and normal year-end adjustments, by the manager of the Maker; and

(c) such other financial information relating to the Maker and its business as may be requested by the Lender.

6. Events of Default. As used in this Note, "Event of Default" shall mean any one of the following:

(a) The Maker shall fail to pay any sum when due or perform any covenant, agreement, or obligation hereunder or under the Security Agreement, or an event of default shall occur under the Security Agreement;

(b) A default or an event of default shall occur under any other agreement evidencing indebtedness of the Maker and such default (i) consists of the failure to pay such indebtedness when due, whether by acceleration or otherwise, or (ii) accelerates the maturity of such indebtedness or permits the holder or holders thereof, or any trustee or agent for such holder or holders, to cause such indebtedness to become due and payable (or require the Maker to purchase, defease, or redeem such indebtedness or post cash collateral in respect thereof) prior to the expressed maturity of such indebtedness.

(c) The Maker shall cease active conduct of its principal business operations at a location that is in the City of Whitewater, Wisconsin (as such City boundaries are modified from time to time, the “Territory”) (failure of the Maker to employ at least one (1) employee in its principal business operations in the Territory shall be deemed to be the cessation of the active conduct of the Maker’s principal business operations), and such cessation continues for an uninterrupted period in excess of forty-five (45) days or exists for periods that total in excess of sixty (60) days within any twelve (12)-month period. Notwithstanding the foregoing, in the event that such cessation is due to fire or other casualty, such cessation shall not be considered an Event of Default if the Maker sends written notice of the casualty to the Lender within forty-five (45) days of the date of such casualty and the Maker resumes active conduct of its principal business operations in the Territory within a time period reasonably acceptable to the Lender.

(d) The Maker makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature, or if a trustee of any substantial part of the assets of the Maker is applied for or appointed; and

(e) Any proceeding involving the Maker is commenced by or against the Maker under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute of the federal government or any state government.

7. Remedies.

(a) Upon the occurrence of an Event of Default under Sections 6(a) through Section 6(c), the Lender may, upon notice and demand to the Maker, declare the entire amount of unpaid principal and accrued and unpaid interest under this Note immediately due and payable. Upon the occurrence of an Event of Default under Section 6(d) through Section 6(e), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

(b) Upon the occurrence of an Event of Default, the Maker hereby agrees to pay all reasonable fees and expenses incurred by the Lender, including reasonable attorneys’ fees of counsel, in connection with the protection and enforcement of the rights of the Lender under this Note, including without limitation the collection of any amounts due under this Note and the protection and enforcement of such rights in any bankruptcy, reorganization, or insolvency proceeding involving the Maker.

(c) While any Event of Default exists, at the option of the Lender, the principal amount outstanding under this Note shall bear interest at a rate equal to fifteen percent (15%) per annum.

(d) No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note or now or hereafter existing by law. No failure or delay on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude other or further exercise.

8. Waiver. The Maker and all endorsers hereof hereby waive presentment, demand for payment, notice of dishonor, notice of nonpayment, protest and notice of protest, and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note, and agree that the liability of the Maker shall be unconditional without regard to the liability of any other party and shall not be affected by any indulgence, extension of time, waiver, release of any party or of any of the Collateral (as defined in the Security Agreement), or other modification granted or consented to by the Maker or holder hereof.

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into 17,045 fully paid and nonassessable Common Units of the Maker (the "Common Units"), subject to adjustment as provided in Section 9(c) below. In the event that any of the principal balance of this Note has been prepaid in accordance with the terms hereof prior to a conversion by such holder, the number of Common Units into which this Note is convertible shall be reduced *pro rata* by that portion of the principal that has been so prepaid. By way of example only, if the original principal amount of this Note were \$10,000, and \$5,000 of such principal amount had been prepaid prior to conversion by the holder of this Note, then this Note would following such partial prepayment be convertible into 8,522.5 Common Units of the Maker.

(b) Any such holder shall effect conversions by providing the Maker with a notice of conversion specifying the amount of this Note to be converted and the date on which such conversion is to be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a notice of conversion, the Conversion Date shall be the date that such notice of conversion to the Maker is deemed delivered hereunder. The Maker's obligation to issue and deliver the Common Units acquired by such holder upon delivery to Maker of a notice of conversion in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such holder or any other person of any obligation to the Maker.

(c)

(i) If the Maker, at any time while this Note is outstanding: (A) pays a unit dividend or otherwise makes a distribution or distributions payable in Common Units or any other Common Unit Equivalents (defined below); or (B) subdivides outstanding Common Units into a larger number of Common Units or consolidates outstanding Common Units into a smaller number of Common Units; then the number of Common Units issuable hereunder shall be multiplied by a fraction of which the numerator shall be the number of Common Units outstanding immediately after such event and of which the denominator shall be the number of Common Units (excluding any treasury units of the Maker) outstanding immediately before such event. For purposes of this Note, “Common Unit Equivalents” means any securities of the Maker or its subsidiaries which would entitle the holder thereof to acquire at any time Common Units, including, without limitation, any debt, units other than the Common Units, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Units.

(ii) The Maker shall not, at any time while this Note is outstanding, distribute to all holders of Common Units (and not to the holder of this Note) evidences of its indebtedness or assets (including cash or cash dividends); *provided* that notwithstanding the foregoing, Maker may distribute from time to time during any calendar year amounts not to exceed 40 percent of Maker’s annual taxable income during such year to holders of Common Units for purposes of satisfying such holders’ income tax obligations attributable to their holding of the Common Units.

(iii) If, at any time while this Note is outstanding, (i) the Maker effects any merger or consolidation of the Maker with or into another person, (ii) the Maker effects any sale of all or substantially all of its assets in one transaction or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Maker or another person) is completed pursuant to which holders of Common Units are permitted to tender or exchange their units for other securities, cash or property, or (iv) the Maker effects any reclassification of the Common Units or any compulsory unit exchange pursuant to which the Common Units are effectively converted into or exchanged for other securities, cash or property (in any such case, a “Fundamental Transaction”), then, upon any subsequent conversion of this Note, the holder hereof shall have the right to receive, for each Common Unit that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one Common Unit (the “Alternate Consideration”). For purposes of any such conversion, the number of Common Units issuable upon conversion hereof shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Unit in such Fundamental Transaction. If holders of Common Units are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the holder hereof shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Maker or surviving entity in such Fundamental Transaction shall issue to the holder hereof new secured convertible notes consistent with the foregoing provisions

and evidencing such holder's right to convert such note into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 9(c)(iv) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(iv) If any event occurs of the type contemplated by the provisions of this Section 9(c) but not expressly provided for by such provisions (including, without limitation, the granting of unit appreciation rights, phantom unit rights or other rights with equity features), then the Maker's Board of Directors in good faith will make an appropriate adjustment in the number of Common Units issuable upon conversion of this Note so as to be equitable under the circumstances and otherwise protect the rights of the holder of this Note; provided that no such adjustment will decrease the number of Common Units issuable upon conversion of this Note as otherwise determined pursuant to this Section 9(c).

10. Successors and Assigns. The Maker may not assign this Note without the consent of the Lender or the holder of this Note. All the provisions hereof shall extend to and inure to the benefit of the Lender and any and all person(s) hereunder from time to time owning or holding this Note, and their respective heirs, legal representatives, successors, and assigns.

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

12. Governing Law; Venue. This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of Wisconsin, without regard to conflicts of laws principles. Any action arising from or relating in any way to this Note shall be tried only in the state or federal courts situated in the Eastern District of Wisconsin. The Maker consents to jurisdiction and venue in those courts to the greatest extent allowed by law. The party that substantially prevails in any action to enforce any provision of this Note shall recover all costs and attorneys' fees incurred in connection with the action.

13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender, and then only to the extent specifically set forth in the waiver. A waiver on one event

shall not be construed as continuing or as a bar to or waiver of any right or remedy to a subsequent event. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

15. Amendment and Restatement. This Amended and Restated Secured Promissory Note is an amendment and restatement of that certain Secured Promissory Note in the original principal amount of \$42,000.00 dated August 27, 2014, executed by the Maker payable to the order of the Lender (the "Prior Note") and evidences an extension, continuation, and renewal of the indebtedness evidenced by the Prior Note. The Maker hereby acknowledges and agrees that such indebtedness has not been repaid or extinguished and that the execution hereof does not constitute a novation of the Prior Note. Moreover, this Amended and Restated Secured Promissory Note shall be entitled to all security and collateral to which the Prior Note was entitled, without change or diminution in the priority of any lien or security interest granted to secure the Prior Note.

IN WITNESS WHEREOF, the Maker, intending to be legally bound hereby, has executed these presents the day and year first written above.

SLIPSTREAM LLC

By: 

Name: SUVOJIT CHOTON BASU

Title: FOUNDER AND CEO

SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	0.50%	Level 1
2	\$500,001 to \$1,000,000	1.00%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	1.50%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.00%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	2.50%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.00%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	3.50%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.00%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	4.50%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 0.50% (total \$2,500), plus (b) \$500,000 multiplied by 1.00% (total \$5,000), plus (c) \$250,000 multiplied by 1.50% (total \$3,750) = \$11,250.

Check Request



To: Slipstream LLC

Amount: \$ 10,000

Fund: _____

Account Number: _____

Date: 5/12/15

CDA Action Date: 2/25/15

By: 

Draw on Letter of Credit approved by
Board on 2-25-15

COPY



Slipstream, LLC
1221 Innovation Dr.
Whitewater, WI 53190

Pat Cannon
Whitewater Community Development Authority
312 W Whitewater St,
Whitewater, WI 53190

Dear Pat,

I would like to request a draw for Slipstream from the credit line in the amount of \$10,000.

This amount will serve to cover product development, web hosting, and basic operating expenses for the next 3 months.

At your convenience, please let me know when the funds could be made available.

Thank you and best regards,

A handwritten signature in black ink, appearing to read "Choton Basu", written over a horizontal line.

Choton Basu
CEO Slipstream, LLC.

**Whitewater Community Development Authority
Meeting Minutes
February 25, 2015**

1. Call to order and roll call

The meeting was called to order by Chair Jeffery Knight at 5:00 p.m. The meeting was held at the Innovation Center, Room 105, located at 1221 Innovation Drive, Whitewater, WI 53190

Present: Abbott, Allen, Henry, Kachel, Knight, Parker

Absent: Singer

Also: Patrick Cannon

2. Hearing of Citizen Comments

None

3. Approval of the Agenda

Motion to approve the agenda as presented

Allen (1); Kachel (2)

Aye: All via voice vote

Nay: None

4. Approval of the Following Minutes

a. January 28, 2013

Motion to approve the minutes as presented

Allen (1); Kachel (2)

Aye: All via voice vote

Nay: None

5. Acceptance of Financial Statements

a. January, 2015

Motion to accept the Financial Statements

Allen (1); Kachel (2)

Aye: All via voice vote

Nay: None

6. Adjourn to closed session per Wisconsin State Statute 19.85(1)(e) "Deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, wherever competitive or bargaining reasons require a closed session"

- a. **Consideration and discussion of a potential development of an indoor soccer facility**
- b. **Consideration and discussion of a Line of credit for Slipstream LLC.**
- c. **Consideration and discussion of a Developers Agreement with DP Electronic Recycling.**
- d. **Consideration and discussion of responses to a Request for Proposal for the sale of property located on Bluff Road.**
- e. **Update on negotiations with potential retail, manufacturing and other businesses that are considering locating in Whitewater and are requesting City of Whitewater related financial assistance or considerations.**
- f. **Return to open session for possible action**

A motion was made to return to open session.

Allen (1); Kachel (2)

Aye: Abbott, Allen, Henry, Kachel, Knight, Parker

Nay: None

In open session the following action was taken:

- a. Staff was directed to work with Bud Gayhart to assist in the development of a business plan.
- b. Motion to extend the Letter of Credit for Slipstream LLC for a 12 month period beginning in April, 2015

Kachel (1); Parker (2)

Aye: Abbott, Allen, Henry, Kachel, Knight, Parker

Nay: None

- c. Motion to authorize the Chairperson of the CDA and the Executive Director to sign the Development Agreement with DP Electronic recycling Inc. for the construction of a new facility to be located in the Technology Park.

Allen (1); Kachel (2)

Aye: All via voice vote

Nay: None

MEMORANDUM

To: Whitewater Community Development Authority
Board of Directors

CC: Cameron Clapper

From: Patrick Cannon
Executive Director

Re: Slipstream Line of Credit

Date: October 19, 2016

We recently received a request from Slipstream for a draw of their line of credit from the CDA. The request was for \$10,000. The original Line of credit was for \$32,000. The outstanding balance is \$12,500.

We did not issue the payment. The line of credit expired on May 26, 2016. At that time, the balance on the line of credit was due and payable. No payment was received at that time.

It is my understanding that Slipstream would like to renew this line of credit and include the outstanding debt as part of that request. If authorized by the CDA Board, I would recommend that we authorize the line of credit for 18 months retroactive to the expiration date of the prior line of credit.

I would also point out that Slipstream does have other outstanding debt with the CDA. Those loans are:

Capital Catalyst	Slipstream	\$102,500.00
Capital Catalyst	Slipstream/SOLOMO	\$ 42,000.00

If you have any questions, please let me know.



CDA Agenda Item

Meeting Date:	August 15, 2024
Agenda Item:	Update of Fine Food Arts LLC
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

BACKGROUND

(Enter the who, what, when, where, why)

CDA Member Kromholz requested a future agenda item regarding an update on any legal matters the CDA was involved in.

The CDA entered into a Loan Agreement on 12/29/2021 with Fine Food Arts LLC (Jay Stinson) in the sum of \$30,000 from the CDA’s Action Fund. Mr. Stinson has since closed down the business and defaulted on his loan to the CDA. On December 1, 2022, Finance Director Steve Hatton sent a certified letter to Mr. Stinson outlining that he was in violation of his agreement with the CDA (copy of the letter attached). No action has been taken by Mr. Stinson since he received the letter.

In December 2023, Economic Development Director (EDD) Calli Berg directed City Attorney Jonathan McDonell to pursue legal action against Mr. Jay Stinson, owner of Fine Food Arts LLC and the establishment formally known as the Black Sheep. Attorney McDonell filed a civil case on December 22, 2023. Once filed staff noticed that the City Attorney filled the case with the City of Whitewater, and not the Community Development Authority. Due to this error, staff advised Attorney McDonell to close the matter, and no further legal action was taken.

In March 2024, Mr. Stinson found a possible buyer of what was formally known as the Black Sheep. The buyer, Dan Rodriguez, is willing to purchase the property and take on the debt that Mr. Stinson has accrued. Attorney McDonell drafted an Assignment and Assumption Agreement (the “Agreement”) that has been sent to both Mr. Stinson and Mr. Rodriguez. However, Mr. Stinson is not in favor of the agreement due to the language stating that if Mr. Rodriguez defaults on the loan payments, the debt goes back to Mr. Stinson. Mr. Stinson prefers to remove all possibility of the debt being associated with him.

In July of 2024, EDD Zeinert referred the matter to the CDA’s legal counsel, Attorney Rick Manthe. Attorney Manthe advised that staff confirm what fixtures currently remain in the restaurant that will act as collateral in the event the CDA elects to proceed to enter into an Assignment and Assumption Agreement with Mr. Rodriguez. The total balance of principal and accrued interest due on the loan as of July 31, 2024 is \$36,498.57.

The office of EDD has attempted to contact Mr. Rodriguez several times via phone and email without any response from Mr. Rodriguez. Staff sent Mr. Rodriguez two letters dated August 5, 2024, one via certified mail and one via standard mail. (see attached copy of the letter).

Once staff contacts Mr. Rodriguez and verifies the remaining collateral of Fine Food Arts LLC, Attorney Manthe will explore legal options on this matter.

(Dates, committees, action taken)

N/A

FINANCIAL IMPACT

(If none, state N/A)

Attorney Manthe's legal fees regarding this matter.

STAFF RECOMMENDATION

N/A

ATTACHMENT(S) INCLUDED

(If none, state N/A)

Letter from Finance Director Steve Hatton to Mr. Stinson

Letter from EDD Zeinert to Mr. Rodriguez

COPY



December 1, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Fine Food Arts LLC d/b/a Black Sheep
 Attn: Jay Stinson
 210 W. Whitewater Street
 Whitewater, WI 53190

Fine Food Arts LLC
 Attn: Jay Stinson
 625 Waters Edge Drive
 Whitewater, WI 53190

Re: Community Development Authority of the City of Whitewater, Wisconsin
 Fine Food Arts LLC \$31,810 Action Fund Loan Dated December 29, 2021

Notice of Acceleration of Full Amount of Loan and Demand for Payment in Full

Dear Mr. Stinson:

On December 29, 2021, Fine Food Arts LLC d/b/a The Black Sheep ("Fine Food Arts") entered into a Loan Agreement with the Community Development Authority of the City of Whitewater, Wisconsin ("CDA"), and, pursuant to the Loan Agreement, executed and delivered a Promissory Note from Fine Food Arts payable to the order of the CDA in the principal sum of \$31,810. The Loan Agreement is incorporated in its entirety into the Promissory Note, as provided for in paragraph 2 of the Promissory Note. Paragraph 10 of the Loan Agreement provides that, in the event Fine Food Arts, as the Borrower, ceases the active conduct of its business operations at the Facility in the City of Whitewater, and such cessation of such business continues for an un-interrupted period in excess of forty-five (45) days or exists of periods which total in excess of sixty (60) days within any twelve (12) month period, the entire outstanding balance of the loan shall become immediately due and payable at the option of the CDA.

Based upon the information obtained by the CDA, Fine Food Arts ceased the active conduct of its business operations at the Facility in the City of Whitewater on or before October 3, 2022 and since that time, has not recommenced active conduct of its business operations at the Facility in the City of Whitewater. The cessation of Fine Food Arts business operations at the Facility in the City of Whitewater has now continued for an un-interrupted period in excess of forty-five (45) days, and, accordingly, the CDA has the option to, and hereby notifies Fine Food Arts that it exercises its option to, declare the entire outstanding balance of the loan, together with interest, to be immediately due and payable.

COPY

Fine Food Arts LLC
December 1, 2022
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The full amount due and payable as of December 15, 2022 is \$33,350.25, consisting of \$31,810 principal, plus accrued interest at 5% per annum for 11 months, 15 days of \$1,550.25. The full balance of principal plus accrued interest of \$33,350.25 bears interest after December 15, 2022 at the rate of 7.5% per annum or \$6.95 per day for each day after December 15, 2022.

Demand is hereby made for payment in full of the \$33,365.25 balance of principal plus accrued interest through December 15, 2022, together with additional interest in the sum of \$6.95 for each day subsequent to December 15, 2022 until payment in full is received. In the event payment in full of principal and all accrued and accruing interest is received within thirty (30) days of the date of this letter, the CDA will then provide a separate statement for reimbursement to the CDA for its costs incurred in collection of this loan, which amount will be due within thirty (30) days of issuance of that statement. In the event full payment of all principal and accrued and accruing interest has not been received within thirty (30) days of the date of this letter, this matter will be referred to litigation legal counsel for further proceedings.

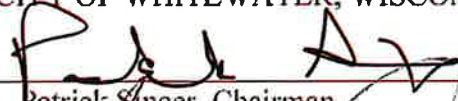
Since the Loan Agreement provides Fine Food Arts address for notification purposes as Fine Food Arts LLC, Attention: Jay Stinson, 210 W. Whitewater Street, Whitewater, WI 53190, one duplicate original of this notice and demand letter is being mailed to that address, as specified in the Loan Agreement, and, in addition, based upon the best available information as to a current mailing address for Fine Food Arts, a duplicate original of this notice and demand letter is also being mailed to Fine Food Arts LLC, Attention: Jay Stinson, 625 Waters Edge Drive, Whitewater, WI 53190 in a good faith effort attempt to ensure that this letter is actually delivered and received by Fine Food Arts LLC.


If you should have any questions regarding the foregoing, please contact:

Steve Hatton, Finance Director
shatton@whitewater-wi.gov
262-473-1380

Sincerely,

COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF WHITEWATER, WISCONSIN

By: 
Patrick Singer, Chairman

Attest: 
James D. Allen, Vice-Chairman

PAS/blm

cc: Wallace K. McDonell, Esq.
Steve Hatton, Finance Director



www.whitewater-wi.gov
Telephone: 262-473-0148
Fax: 262-222-5901

Office of the CDA
312 W. Whitewater St.
Whitewater, WI 53190

August 5, 2024

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Daniel Rodriguez
2568 Honey Creek Circle, Apt. 311
East Troy, WI 53120

Re: K.L.D LLC

Dear Dan:

Our office has attempted to contact you several times by both phone and email with no response. In order to proceed with your acquisition of the business fixtures remaining at 210 West Whitewater Street by assuming the loan from the CDA to Fine Food Arts LLC (d/b/a The Black Sheep), we need to do a walk-through together as soon as possible to determine exactly what items remain. We have an itemized list to work from that Jay Stinson provided to the CDA as collateral when he applied for the loan.

Please contact our office at your earliest convenience to schedule an appointment. Your quick response will be appreciated.

Sincerely

A handwritten signature in blue ink, appearing to read "Taylor Zeinert", with a long horizontal flourish extending to the right.

Taylor Zeinert
Economic Development Director
tzeinert@whitewater-wi.gov
(262) 473-0148