



Community Development Authority Monthly Meeting

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

Thursday, March 19, 2026 - 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.**

Join: <https://teams.microsoft.com/meet/2355877283737?p=IXVhofm7emqB0w1VsC>

Meeting ID: 235 587 728 373 7

Passcode: Wg74cW9u

Dial in by phone

[+1 929-229-5663](tel:+19292295663), [35134921#](tel:+135134921) United States, New York City

[Find a local number](#)

Phone conference ID: 351 349 21#

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

CONFLICT OF INTEREST

Would any board member wish to declare any know Conflict of Interest with the items presented on today's CDA Board Agenda?

GOOD GOVERNANCE MANUAL

Below is a link to the City of Whitewater's Governance Manual. This document serves as our central guide for operational excellence, outlining our commitment to accountability, transparency, and strategic oversight.

<https://mccmeetingssystem.blob.core.usgovcloudapi.net/session-1145bc051c5b485b9d35d2eb0a5a9e58-read/Governance%20Manual%202024-06-18.pdf?sv=2021-06-08&st=2026-02-05T20%3A23%3A05Z&se=2026-02->

05T20%3A53%3A05Z&sr=b&sp=racwdl&sig=PprMOxir4DmqWg3F0%2Fqd3um08BK1ONHkxRRt8qqksis%3D

Please feel free to refer to this manual often.

APPROVAL OF AGENDA

A committee 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 Committee to be implemented. The agenda shall be approved at each meeting even if no changes are being made at that meeting.

CONSENT AGENDA

Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

- [1.](#) Approval of February minutes
- [2.](#) February Dashboard
- [3.](#) Edgerton Hospital report

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.

CONSIDERATIONS / DISCUSSIONS / REPORTS

- [4.](#) Farmland Lease
- [5.](#) Bowers House Development Agreement
- [6.](#) Redevelopment Resources Presentation
- [7.](#) Discussion and Possible Action on CDA owned Whitewater St. parcels
- [8.](#) Discussion and Approval of Down Payment Assistance Loan
- [9.](#) Memo re: Update on Hake Farm Development Project
- [10.](#) Discussion and Approval of changes to Capital Catalyst and Action Fund accounts

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. Items to be discussed:

11. Stonehaven Development Agreement
12. Review and Discussion of Letter of Intent for Lots 1T and 2T in Tech Park

RECONVENE INTO OPEN SESSION

FUTURE AGENDA ITEMS

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**

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

Thursday, February 19, 2026 - 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://teams.microsoft.com/meet/21189804496547?p=RSpuSw3hjtQBAANctM>

Dial in by phone

+1 929-229-5663,,129564377# United States, New York City

Find a local number

Phone conference ID: 129 564 377#

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

The meeting was called to order at 5:30pm.

ROLL CALL

PRESENT

- Board Member Thayer Coburn
- Board Member Jon Kachel
- Board Member Joseph Kromholz
- Board Member Kelsey Price
- Council Representative Orin Smith
- Board Member Christ Christon
- Council Representative Brian Schanen

CITY STAFF

Mason Becker, Community Development Director,
Ashwini Rao, Economic Development Coordinator,
Steven Chesebro, City Attorney

CONFLICT OF INTEREST

Would any board member wish to declare any known Conflict of Interest with the items presented on today's CDA Board Agenda?

Council Representative Brian Schanen recused himself from Item Number 8: Review and discussion of Open Records Request for Closed session meeting minutes (October 2025)

Board Member Kelsey Price clarified that she had recused from the Ethics Committee due to her participation on the CDA Board.

GOOD GOVERNANCE MANUAL

Below is a link to the City of Whitewater's Governance Manual. This document serves as our central guide for operational excellence, outlining our commitment to accountability, transparency, and strategic oversight.

<https://mccmeetingsystem.blob.core.usgovcloudapi.net/session-1145bc051c5b485b9d35d2eb0a5a9e58-read/Governance%20Manual%202024-06-18.pdf?sv=2021-06-08&st=2026-02-05T20%3A23%3A05Z&se=2026-02-05T20%3A53%3A05Z&sr=b&sp=racwdl&sig=PprMOxir4DmqWg3F0%2Fqd3um08BK1ONHkxRRt8qqksis%3D>

Please feel free to refer to this manual often.

APPROVAL OF AGENDA

A committee 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 Committee to be implemented. The agenda shall be approved at each meeting even if no changes are being made at that meeting.

Motion made by Board Member Coburn, Seconded by Council Representative O.Smith.
Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

CONSENT AGENDA

Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

Motion made by Board Member Coburn, Seconded by Council Representative O.Smith.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

1. Approval of January Minutes
2. Community Development Dashboard
3. Memo regarding TIF Requests
4. Update on Habitat for Humanity project
5. Update on Innovation Center

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.

Mr. Jeffrey Knight of 405 Panther Ct, Whitewater, WI 53190, provided comments on TIF and its impact on taxpayers.

CONSIDERATIONS / DISCUSSIONS / REPORTS

6. DPA loan applicant(s) discussion and approval(s)
 - a. Down Payment Assistance Loan Application, 815 E North St
 - b. Down Payment Assistance Loan Application, 202 W North St

Motion made by Board Member Coburn to approve.

Seconded by Council Representative Schanen.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

7. Demo quote for 116 E Main St.

Community Development Director, Mason Becker provided an update regarding the quotes received for demolition of 116 E Main St.

Motion made by Council Representative Schanen to approve the award of contract for demolition in the amount of \$34,277.00 to HM Brand. Seconded by Board Member Kromholz.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

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. Items to be discussed:

Motion made by Board Member Coburn, Seconded by Council Representative Schanen.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

- 8. Review and discussion of Open Records Request for Closed session meeting minutes (October 2025)
- 9. Update on Becker & Bolton
- 10. Update on Fine Food Arts
- 11. Update on Royal Hounds
- 12. Review and Discussion of 136 N. Jefferson St
- 13. Review and discussion of Stonehaven DA progress

RECONVENE INTO OPEN SESSION

Motion made by Council Representative Schanen, Seconded by Council Representative O.Smith.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

FUTURE AGENDA ITEMS

ADJOURNMENT

Motion made by Board Member Kromholz, Seconded by Council Representative O.Smith.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Memo re TIF information items
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

At the February 19, 2026 regular CDA board meeting, a member of the public requested that two items, including a memo from the City’s Finance Director regarding TIF, be shared with the CDA board. Those two items were forwarded to the board via email after that meeting, and are also included in this agenda packet for reference.

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

- N/A

FINANCIAL IMPACT
(If none, state N/A)

- The items included share general information on Tax Increment Financing.

STAFF RECOMMENDATION

- This item is included for informational reference only.

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

- Memo from the City of Whitewater’s Finance Director
- 2022 report from the Wisconsin Legislative Council



Date: April 4, 2025

To: Common Council

John Weidl, City Manager

From: Rachele Blicht, Director of Financial and Administrative Services

Re: Response to Public Comments at the April 3rd Common Council Meeting

This memorandum is provided in response to the inquiry regarding whether the City intends to continue utilizing the full allowable property tax levy in future years. The Finance Department does intend to continue recommending the use of the full allowable levy to the City Manager, who is responsible for recommending the annual budget to the Common Council. We believe this approach is fiscally prudent and in the best long-term interest of the community, as it supports critical services and reduces the need for future borrowing. It is important to note, however, that the final decision rests with the Common Council, which holds the authority to approve the budget and determine the final levy amount.

Using the full operational levy capacity each year provides the City with the necessary resources to maintain service levels, meet operational needs, and invest in long-term infrastructure improvements. Given the ongoing cost pressures from inflation, labor markets, and increasing demands for municipal services, maximizing our available levy helps ensure the City can continue delivering high-quality services without abrupt reductions or service interruptions.

More importantly, by fully utilizing the levy, the City can begin to more strategically plan for major capital expenditures by building up reserves in designated capital improvement accounts. Prefunding these accounts allows us to pay for infrastructure projects—such as road repairs, facility upgrades, equipment replacements, or utility improvements—using cash rather than debt. This practice significantly reduces the need to borrow, which in turn decreases the amount of interest the City must pay over time.

Reducing reliance on debt not only saves taxpayer dollars in the long run, but it also improves our overall financial position and credit profile. It enables more flexibility in future budgeting and ensures that the City can respond more effectively to unexpected needs or economic shifts.

In short, continuing to levy the full amount available under state law reflects a forward-looking, prudent approach to municipal finance—one that balances today's needs with tomorrow's responsibilities and helps secure a stronger financial future for the entire community.

Wisconsin Legislative Council



Anne Sappenfield
Director

TO: SENATOR DUEY STROEBEL

FROM: Scott Grosz, Principal Attorney

RE: Effects of a Tax Incremental District on Municipal Levy Limits

DATE: November 29, 2022

This memorandum, prepared at your request, describes the relationship between the presence and growth of a tax incremental district (TID) in a municipality and the calculation of the limit, as imposed by current statute, on that municipality's ability to increase its annual property tax levy. Following a brief description of the tax incremental financing (TIF) and levy limit statutes, the memorandum provides a series of examples that highlight the effects of a TID on the calculation of a municipality's levy limit and its mill rate. The hypothetical examples, prepared in consultation with the Department of Revenue, simplify the levy limit calculations by removing other factors that, in a typical municipality, might also affect levy limit and mill rate calculations.

As will be described in more detail below, under the levy limit statutes, a municipality's levy in a given year is based on an equation that allows the prior levy to be increased in proportion to any increase in the municipality's equalized value due to "net new construction" (NNC). In this equation, NNC reflects additions to equalized value due to new construction and subtractions for improvements removed across the entire municipality, without regard to whether any change in value may be attributed specifically to property in a TID.¹

Subsequently, the new levy, which is based on the change in *municipal-wide* equalized value due to NNC, becomes the numerator in the municipality's new, initial mill rate calculation. However, for the denominator, initial calculation of the municipality's mill rate following a levy limit increase uses the equalized value *excluding* TID property. As the examples illustrate, the effect of this is as follows:

- When a TID does not exist, an increased levy limit will not increase the mill rate from one year to the next, because the numerator and denominator of the mill rate increase proportionally. [See Example 2.]
- When a TID exists, but all NNC occurs outside the TID, the mill rate will decrease from the prior year, because the percent change in the mill rate's numerator is smaller than the percent change in its denominator. [See Example 5.]
- When a TID exists, and all NNC occurs within the TID, the mill rate will increase from the prior year, because the mill rate's numerator increases while the denominator stays the same. [See Example 6.]

¹ In practice, NNC is an often-used abbreviation for the statutory phrase, "new construction less improvements removed between the previous year and the current," in the definition of "valuation factor," described below.

- When a TID exists, and NNC is split between the TID and other property, the mill rate is likely to increase, though results depend on the distribution of NNC and the base and increment values of the TID relative to total equalized value. [See Examples 4 and 7.]

TAX INCREMENTAL FINANCING

TIF is a tool that municipalities often use to spur economic development. The TIF process allows a political subdivision to pay for public improvements within a designated portion of the municipality, called a TID, using the future taxes collected on the TID's increased property value to repay the cost of the improvements. The rationale behind TIF is that the municipality's public improvements will encourage development, accompanied by an increase in property value that would not have otherwise occurred.

Following TID creation, DOR determines the equalized value of the taxable property within the district. This is referred to as the TID's base value. The equalized value of certain municipally owned tax-exempt property must also be included in the base value. Inclusion of this property prevents a municipality from purchasing property prior to creating a TID in order to lower the TID's base value and create more tax increments than would have been created if the property had been taxable at the time the TID was created. [s. 66.1105 (2) (j) and (5), Stats.]

If the property value increases beyond the base value, this increase is called a value increment. DOR determines the value increment each year by subtracting the base value from the current sum of all of the taxable property value in the TID. Tax collected on the value increment is called the tax increment. The tax increment equals the value increment multiplied by the property tax levy of all jurisdictions levying taxes in the municipality. The municipality, as well as the county, school district, and technical college district, or any other tax district, do not receive the amount of revenues from their tax levy on the value increment. Instead, this money is collected and allocated to a special tax increment fund. This fund is used by the municipality to pay for the TID's project costs, including public works and other improvements in the TID, as a way to stimulate increases in property value. [s. 66.1105 (2) (i) and (m) and (5), Stats.]

TID project costs are expenditures that may be made or estimated to be made, or monetary obligations that may be incurred or estimated to be incurred by the municipality and which are listed in the project plan. Examples of expenditures that may be included as project costs include capital costs; financing costs; cash grants to developers, if pursuant to a developer agreement; relocation costs; and real property assembly costs. General operating expenses, unrelated to planning or development of a TID, do not qualify as project costs. Similarly, project costs may not, generally, include the costs of construction or expansion of municipal or other public buildings. [s. 66.1105 (2) (f), Stats.]

LEVY LIMITS

Section 66.0602 (2) (a), Stats., describes the general municipal levy limit under Wisconsin law, as well as its connection to TIF law as follows:

Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. Except as provided in par. (b), the base amount in any year, to which the limit under this section applies, shall be the actual levy for the immediately preceding year. ***In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i).*** The base amount in any year, to which the limit under this section applies, may not include any amount to which sub. (3) (e) 8. applies. [Emphasis added.]

Two related statutes also play key roles in understanding the relationship between the presence of a TID in a municipality and the calculation of its levy limit. The first is, s. 66.0602 (1) (d), Stats., which defines the term “valuation factor” to mean: “... a percentage equal to the greater of either the percentage change in the political subdivision’s January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent.” The second statute, s. 66.1105 (2) (i), Stats., defines “tax increment” for the purposes of the emphasized text above, as “that amount obtained by multiplying the total county, city, school and other local general property taxes levied on all taxable property within a tax incremental district in a year by a fraction having as a numerator the value increment for that year in the district and as a denominator that year’s equalized value of all taxable property in the district.”

In practical terms, the subtraction of the tax increment as referenced above is demonstrated via calculations made across several forms provided by DOR.² The calculations remove the tax increment from the municipality’s total taxes, which is a combination of taxes attributed to the general levy (generated by imposing the final mill rate against the equalized value of all property except the TID increment) and taxes attributed to the TID increment itself. This subtraction ensures that levy limit is applied to the “prior levy” excluding the TID increment. For purposes of the examples below, the portion of the levy excluding the TID increment is referred to as the “apportioned municipal levy” while the “total municipal levy” (“total taxes”) equals the sum of the apportioned municipal levy and the municipal share of the TID increment.

EXAMPLES

The following examples highlight a TID’s effect on a municipality’s levy limit, through the TID’s effect on that municipality’s calculation of NNC. Examples 1 to 6 highlight the effects of different distributions of NNC from a single year to the next. Example 7 highlights the effects of a single distribution of NNC (the same distribution used in Example 4), when sustained over a five-year period.

Example 1: No TID Without NNC

2021	
Equalized value	\$10,000,000
Apportioned municipal levy	\$100,000 (starting point of levy limit calculation)
Total municipal levy	\$100,000
Final municipal tax rate (total municipal levy/current equalized value)	1.0% = \$100,000/\$10,000,000
2022	
NNC	\$0
Equalized value	\$10,000,000
Valuation factor (current year NNC divided by prior year equalized value)	0% = \$0/\$10,000,000

² These forms include the [Municipal Levy Limit Worksheet](#), the [Tax Increment Worksheet](#), the [Mill Rate Worksheet](#), and the [Statement of Taxes](#). Certain fields on the forms are entered by DOR on behalf of a municipality, while others are entered by the municipality, which then returns the forms to the department.

- 4 -

Example 1: (2022 Continued)

Allowable levy limit increase due to valuation factor (valuation factor multiplied by prior year apportioned levy)	$\$0 = \$100,000 * 0\%$
Apportioned municipal levy (prior year levy plus levy limit increase due to valuation factor)	$\$100,000 = \$100,000 + \$0$
Total municipal levy	$\$100,000$
Final municipal tax rate	1.0%

Example 2: No TID With NNC

2021	
Equalized value	$\$10,000,000$
Apportioned municipal levy	$\$100,000$
Total municipal levy	$\$100,000$
Final municipal tax rate	$1.0\% = \$100,000 / \$10,000,000$
2022	
NNC	$\$500,000$
Equalized value	$\$10,500,000$
Valuation factor (current year NNC divided by prior year equalized value)	$5\% = \$500,000 / \$10,000,000$
Allowable levy limit increase due to valuation factor (valuation factor multiplied by apportioned levy)	$\$5,000 = \$100,000 * 5\%$
Apportioned municipal levy (prior year levy plus levy limit increase due to valuation factor)	$\$105,000 = \$100,000 + \$5,000$
Total municipal levy	$\$105,000$
Final municipal tax rate	$1.0\% = \$105,000 / \$10,500,000$

Example 3: Year of New TID Creation

Same as "No TID" examples, because for year of TID creation, there is no increment to subtract when "determining its levy" relative to total taxes

- 5 -

Example 4: Growing TID (TID Exists, 50% of NNC in TID)

2021	
Equalized value	\$10,000,000
Apportioned municipal levy	\$100,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$250,000 • Increment value: \$150,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.0152284\% = \$100,000 / \$9,850,000$
Total municipal levy amount (interim rate * total equalized value)	\$101,522.84
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$1,522.84
Final municipal rate (total municipal levy/total equalized value)	1.0152284%
2022	
NNC	\$500,000 (\$250,000 of \$500,000 in TID)
Equalized value	\$10,500,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$500,000 • Increment value: \$400,000
Valuation factor	$5\% = \$500,000 / \$10,000,000$
Levy limit increase due to valuation factor	$\$5,000 = \$100,000 * 5\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$105,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.039604\% = \$105,000 / \$10,100,000$
Total municipal levy amount (interim rate * total equalized value)	\$109,158.42
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$4,158.42
Final municipal tax rate (total municipal levy/total equalized value)	1.039604%

- 6 -

Example 5: Stable TID (TID Exists, no NNC in TID)

2021	
Equalized value	\$10,000,000
Apportioned municipal levy	\$100,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$500,000 • Increment value: \$400,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	$1.0416667\% = \$100,000 / \$9,600,000$
Total municipal levy amount (interim rate * total equalized value)	\$104,166.67
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	\$4,166.67
Final municipal rate (total municipal levy/total equalized value)	1.0416667%
2022	
NNC	\$500,000 (\$0 in TID)
Equalized value	\$10,500,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$500,000 • Increment value: \$400,000
Valuation factor	$5\% = \$500,000 / \$10,000,000$
Levy limit increase	$\$5,000 = \$100,000 * 5\%$
Apportioned municipal levy (prior year apportioned levy + levy limit increase)	\$105,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	$1.039604\% = \$105,000 / \$10,100,000$
Total municipal levy amount (interim rate * total equalized value)	\$109,158.42
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	\$4,158.42
Final municipal tax rate (total municipal levy/total equalized value)	1.039604%

- 7 -

Example 6: "Hero" TID (TID Exists, all NNC in TID)

2021	
Equalized value	\$10,000,000
Apportioned municipal levy	\$100,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$250,000 • Increment value: \$150,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	$1.015228\% = \$100,000 / \$9,850,000$
Total municipal levy amount (interim rate * total equalized value)	\$101,522.84
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	\$1,522.84
Final municipal rate (total municipal levy/total equalized value)	1.0152284%
2022	
NNC	\$500,000 (\$500,000 of \$500,000 in TID)
Equalized value	\$10,500,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$750,000 • Increment value: \$650,000
Valuation factor	$5\% = \$500,000 / \$10,000,000$
Levy limit increase	$\$5,000 = \$100,000 * 5\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$105,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	$1.06598985\% = \$105,000 / \$9,850,000$
Total municipal levy amount (interim rate * total equalized value)	\$111,928.93
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	\$111,928.93
Final municipal tax rate (total municipal levy/total equalized value)	1.06598985%

- 8 -

Example 7: Sustained Growth (Example 4, Repeated 5 years)

2021	
Equalized value	\$10,000,000
Apportioned municipal levy	\$100,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$250,000 • Increment value: \$150,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.0152284\% = \$100,000 / \$9,850,000$
Total municipal levy amount (interim rate * total equalized value)	\$101,522.84
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$1,522.84
Final municipal rate (total municipal levy/total equalized value)	1.0152284%
2022	
NNC	\$500,000 (\$250,000 of \$500,000 in TID)
Equalized value	\$10,500,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$500,000 • Increment value: \$400,000
Valuation factor	$5\% = \$500,000 / \$10,000,000$
Levy limit increase due to valuation factor	$\$5,000 = \$100,000 * 5\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$105,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.039604\% = \$105,000 / \$10,100,000$
Total municipal levy amount (interim rate * total equalized value)	\$109,158.42
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$4,158.42
Final municipal tax rate (total municipal levy/total equalized value)	1.039604%

- 9 -

2023	
NNC	\$500,000 (\$250,000 of \$500,000 in TID)
Equalized value	\$11,000,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$750,000 • Increment value: \$650,000
Valuation factor	$4.761905\% = \$500,000 / \$10,500,000$
Levy limit increase due to valuation factor	$\$5,000 = \$105,000 * 4.761905\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$110,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.062802\% = \$110,000 / \$10,350,000$
Total municipal levy amount (interim rate * total equalized value)	\$116,908.21
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$6,908.21
Final municipal tax rate (total municipal levy/total equalized value)	1.062802%
2024	
NNC	\$500,000 (\$250,000 of \$500,000 in TID)
Equalized value	\$11,500,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$1,000,000 • Increment value: \$900,000
Valuation factor	$4.545455\% = \$500,000 / \$11,000,000$
Levy limit increase due to valuation factor	$\$5,000 = \$110,000 * 4.545455\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$115,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.084906\% = \$115,000 / \$10,600,000$
Total municipal levy amount (interim rate * total equalized value)	\$124,764.15
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$9,764.15
Final municipal tax rate (total municipal levy/total equalized value)	1.084906%

- 10 -

2025	
NNC	\$500,000 (\$250,000 of \$500,000 in TID)
Equalized value	\$12,000,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$1,250,000 • Increment value: \$1,150,000
Valuation factor	$4.347826\% = \$500,000 / \$11,500,000$
Levy limit increase due to valuation factor	$\$5,000 = \$115,000 * 4.347826\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$120,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.105991\% = \$120,000 / \$10,850,000$
Total municipal levy amount (interim rate * total equalized value)	\$132,718.89
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$12,718.89
Final municipal tax rate (total municipal levy/total equalized value)	1.105991%
2026	
NNC	\$500,000 (\$250,000 of \$500,000 in TID)
Equalized value	\$12,500,000
TID details	<ul style="list-style-type: none"> • Base: \$100,000 • Total value: \$1,500,000 • Increment value: \$1,400,000
Valuation factor	$4.166667\% = \$500,000 / \$12,000,000$
Levy limit increase due to valuation factor	$\$5,000 = \$120,000 * 4.166667\%$
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	\$125,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	$1.126126\% = \$125,000 / \$11,100,000$
Total municipal levy amount (interim rate * total equalized value)	\$140,765.77
TID increment (municipal portion only) (total levy amount – apportioned levy)	\$15,765.77
Final municipal tax rate (total municipal levy/total equalized value)	1.126126%

Please let me know if I can provide any further assistance.
SG:jal

FEBRUARY 2026

Response Time

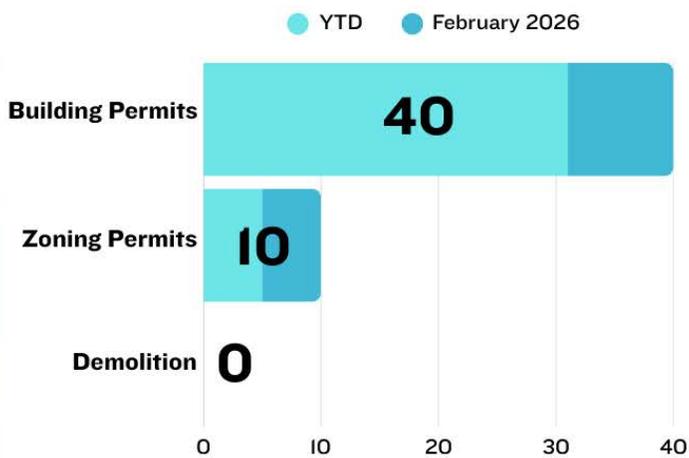
- **Permit processing: 7-10 business days**
- **First response to inquiries: 24-48 hours**
- **Code case resolution: ~30 days- *may vary on the case***

Strategic activity

- **BRE visits: 2**
- **Comprehensive Plan and Work Group Sessions**
- **4 RFI's**

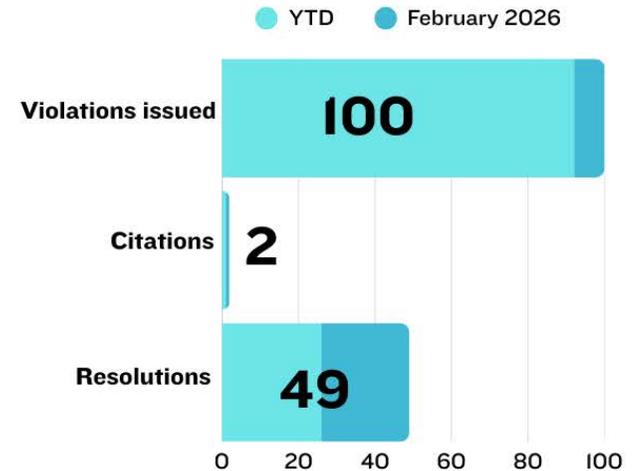


Permits



Local Impact:
Down payment assistance: 2 households / \$50,000 YTD

Enforcement/Outcome



Note: Implementation of iWorQ will provide a more accurate measure of response times, code violations, process and inquiries. Available after 1st quarter 2026.



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Edgerton Hospital Report
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

As part of their loan obligations, Edgerton Hospital is required to submit a written certification confirming compliance with the terms of their Loan agreement.

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

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

This memo is for information only. No action is needed at this time.

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

Edgerton report is attached

Community Development Authority
City of Whitewater
Ashwini Rao, Economic Development Coordinator
312 W Whitewater St., PO Box 178
Whitewater, WI 53190

RE: Edgerton Hospital and Health Services (EHHS) Forgiveness Loan

March 1, 2026

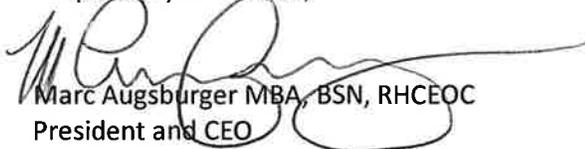
City of Whitewater/Community Development Authority,

Per the reporting covenants of the Forgiveness Loan, EHHS reports the following compliance items:

1. **Service Obligation.** X-ray services are full available each hour of every day while the Urgent Care is Open.
2. **Baseline Hours of Operation.** The EHHS Urgent Care remains open seven days per week and 10 hours each day, with the open hours of operation being 9:00 AM-7:00 PM
3. **Use and Disposition Restrictions.** EHHS retains full ownership and operation of X-ray machine in the Urgent Care facility, which is located at 757 E. Milwaukee St. and is available for inspection at any time.
4. **Reduction in Hours:** EHHS Urgent Care remains open seven days per week and 10 hours each day with no reduction in hours. The open hours can also be found on our website and Social Media posts.
5. **Proportional Recapture:** Service hours have not been altered since opening.
6. **Use of Funds:** The funds provided by the City of Whitewater for purchase, installation and operation of the Equipment were expended exclusively for the X-ray equipment in use. This equipment is available for inspection at anytime.

EHHS is very pleased to be operating the Urgent Care in Whitewater and we have received numerous positive comments from those using the services provided. We welcome any additional questions or comments.

Respectfully submitted,


Marc Augsburger MBA, BSN, RHCEOC
President and CEO

Cc: Enclosures

Edgerton Hospital Urgent Care

Edgerton Hospital's Urgent Care offers extended walk-in care for a wider range of health concerns, with on-site X-ray and lab testing available.

Visit our Urgent Care for:

- Sprains, strains, or simple fractures
- Deep cuts that may need stitches
- Severe sore throat or flu symptoms
- Ear pain or infections
- Abdominal pain or vomiting
- Minor allergic reactions
- Urinary or respiratory infections
- X-ray imaging and lab testing needs

Walk-In Care
in
Whitewater!



757 E Milwaukee Street
Whitewater, WI
608-561-6740

Hours: 7 days a week, 9 am - 7 pm

more info at edgertonhospital.com

Edgerton Hospital and Health Services
Published by Hoosuite
January 18 at 5:00 PM

Need care fast for a non-life-threatening issue? Edgerton Hospital's Urgent Care in Whitewater is here for walk-in treatment of sprains, strains, infections, minor fractures, cuts that may need stitches, and severe sore throat or flu symptoms.

Our Urgent Care is located at 757 E. Milwaukee St. Whitewater, WI 53190. No appointment needed, just walk in from 9am to 7pm, 7-days a week. If you have any questions, please call 608-561-6740.

#EdgertonHospital #WhitewaterWI #UrgentC...
See more

Edit Boost post

5 Like Comment Share



No comments yet
Be the first to comment.

Comment as Edgerton Hospital and H...

Edgerton Hospital and Health Services
Published by Hoosuite
December 28, 2023

Boost post
Like Comment Share

No comments yet
Be the first to comment
Comment as Edgerton Hospital and H...



Edgerton Hospital
Urgent Care

Edgerton Hospital's Urgent Care offers extended walk-in care for a wider range of health concerns, with on-site X-ray and lab testing available.

Visit our Urgent Care for:

- Sprains, strains, or simple fractures
- Deep cuts that may need stitches
- Severe sore throat or flu symptoms
- Ear pain or infections
- Abdominal pain or vomiting
- Minor allergic reactions
- Urinary or respiratory infections
- X-ray imaging and lab testing needs

Walk-In Care
in
Whitewater!

Edgerton HOSPITAL
URGENT CARE

757 E Milwaukee Street
Whitewater, WI
608-561-6740

Hours: 7 days a week, 9 am - 7 pm

more info at edgertonhospital.com



CDA Agenda Item

Meeting Date:	March 19, 2026
Agenda Item:	Farm Lease- 5 th Amendment
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

The CDA leases its vacant land in the Industrial/Tech Park to Timothy and Rachel Kiel under Cash Rent Farm Lease dated March 1, 2021 (the "Lease"), for tillable land of approximately 120.7 acres at a rate of \$175 per acre per crop year. This Lease auto-renews each year unless either party notifies the other of intent to terminate the Lease. Since March 1, 2021, the Lease has been amended on an annual basis to adjust for parcels that have been sold by the City to a third party for development.

The attached Fifth Amendment to Cash Rent Farm Lease adjusts the tillable acres covered by the Lease to approximately 58.39+/- acres. Under this Amendment to Cash Rent Farm Lease, rent for the 2026 crop year is in the amount of \$8,758.00 (\$150/ acre).

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

The CDA approved the fourth Amendment to Cash Rent Farm Lease on February 20, 2025, at a rate of \$150/acre for a total of 73.36 acres.

FINANCIAL IMPACT
(If none, state N/A)

N/A

STAFF RECOMMENDATION

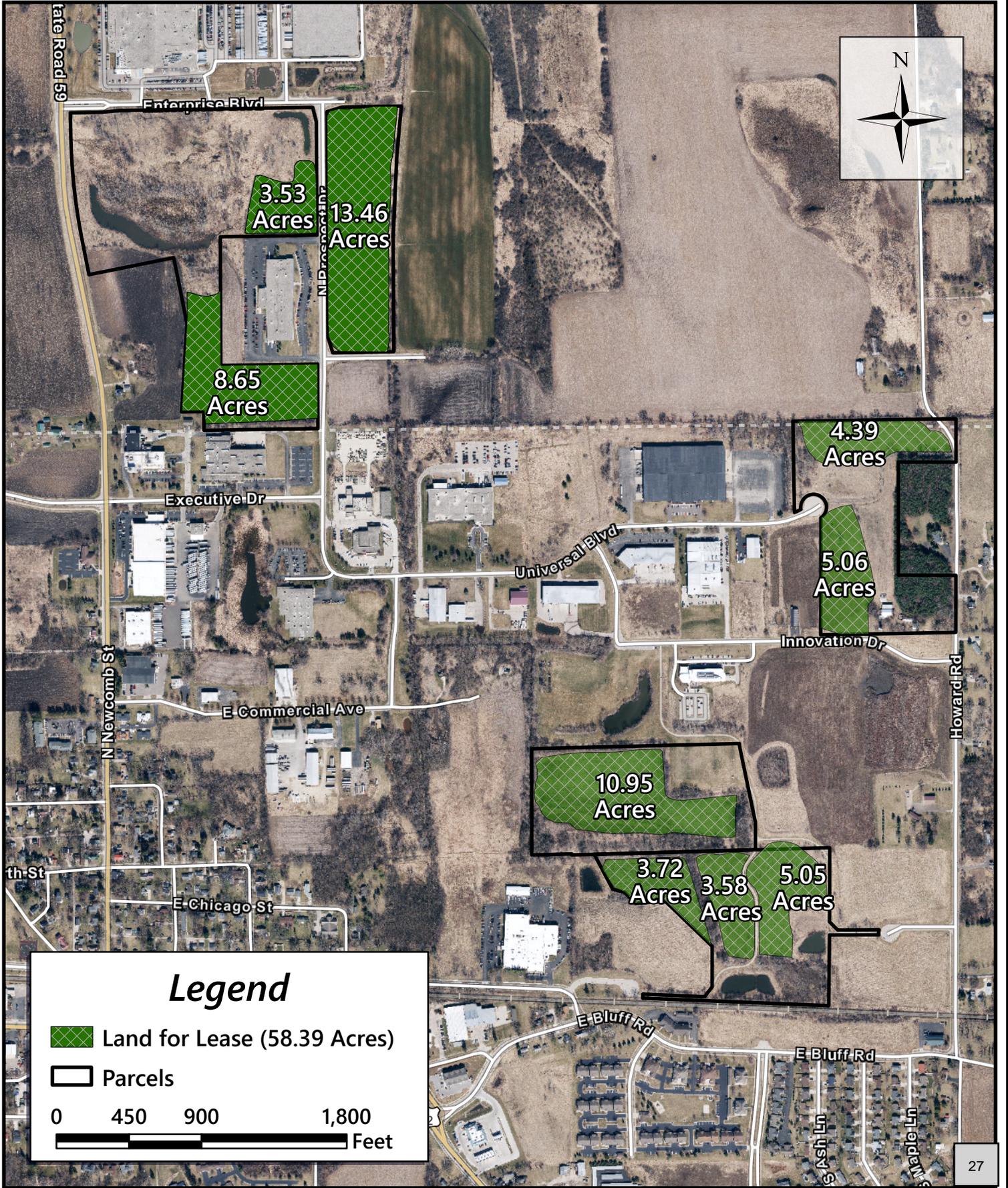
N/A

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

- Fifth Amendment to Cash Rent Farm Lease.
- Map reflecting the updated tillable land.

CROP LEASE LAND

WHITEWATER BUSINESS & TECH PARKS



FIFTH AMENDMENT TO CASH RENT FARM LEASE

THIS AMENDMENT (this "Amendment") is made to become effective as of the 1st day of April 2026 (the "Effective Date") by and between the **Community Development Authority of the City of Whitewater** (hereinafter "Landlord"), 312 W. Whitewater Street, Whitewater, WI 53190, and **Timothy Kiel and Rachel Kiel** (hereinafter "Tenant" whether one or more) of 10251 East State Road 59, Milton, WI 53563.

WHEREAS, Landlord and Tenant entered into Cash Rent Farm Lease dated effective March 1, 2021, (which Lease and any subsequent Amendments thereto, hereinafter referred to as the "Lease") providing for the lease by Tenant from Landlord of the real estate described therein;

WHEREAS, the parties desire to amend the Lease upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

Section 1 of the Lease is hereby deleted and the following provision is inserted in place of said Section 1:

Lease. For and in consideration of the covenants and agreements set forth in this Lease to be kept and performed by Tenant, Landlord agrees to lease to Tenant certain real property consisting of approximately 58.39+/- acres of vacant land located in the Whitewater Business and Technology Park, City of Whitewater, Walworth and Jefferson Counties, State of Wisconsin (hereinafter the "Leased Land"). The Leased Land is identified in the sketch attached as Exhibit A* and incorporated herein by reference which shows the general location and configuration of the Leased Land. (***Note, Exhibit A referenced above means Exhibit A which is attached to this Amendment**).

2. Section 2 of the Lease is hereby deleted and the following provision is inserted in place of said Section 2:

Rent. Tenant shall pay to Landlord a total rent of **\$8,758.00 each year (\$150.00 per acre)** during the term of this Lease, payable in full on or before March 1st of each year during the lease term, unless otherwise agreed to in writing by the parties. All rent shall be payable to Landlord at the address set forth above unless otherwise directed by Landlord.

3. Certain capitalized terms in this Amendment shall have the same meaning as corresponding capitalized terms in the Lease.

4. Except as amended and modified by this Amendment, all other terms and conditions of the Lease shall be and remain in full force and effect, without interruption.

5. In the event of a conflict between the provisions of this Amendment and the provisions set forth in the Lease, the provisions of this Amendment shall control.

IN WITNESS WHEREOF, Landlord and Tenant, by their respective duly authorized representatives, have executed this Amendment to become effective as of the Effective Date first written above.

LANDLORD:

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF WHITEWATER

By: _____
Mason Becker, Executive Director

Date Signed: _____

TENANT:

Timothy Keil

Date Signed: _____

Rachel Keil

Date Signed: _____



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Bowers House
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

At a previous CDA meeting (January 2026), it was suggested that the CDA Board revisit the Bowers House Development Agreement. The Bowers House is a notable historic property in Whitewater. A CDA façade loan in conjunction with a grant from the Wisconsin Economic Development Corporation supported the redevelopment and preservation of the architectural integrity of the Bowers House. The CDA loan is in repayment. However, it is currently listed for sale, and the Anderson Commercial Group has received an offer on the property.

Below is a snapshot of the terms and conditions in the Bowers House Development Agreement.

1. Developer Improvements. Developer shall complete improvements to the Property in accordance with the terms, conditions and requirements of EXHIBIT C ("Developer's Improvements"). The plans, specifications and site plans for Developer's Improvements are subject to City approval and Developer shall not commence construction of Developer's Improvements until such time as the City has approved such plans, specifications and site plans in writing. After the City's approval of Developer's Improvements, such documents shall not be modified without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. City's approval of Developer's Improvements shall not excuse Developer from complying with any other governmental approvals, permits, ordinances or laws that are applicable to the Property or Developer's Improvements. All work to be performed by the Developer related to Developer's Improvements shall be performed in a good and workmanlike manner and consistent with the prevailing industry standards for such work in the area of the City. Developer shall perform all work in compliance with all applicable laws, regulations, ordinances and buildings codes and shall obtain and maintain all necessary permits and licenses for such work.

2. City Commitments.

(a) Grant. If the WEDC awards the Grant to the City, the City agrees to administer and disburse the Grant funds as set forth herein but shall not be liable to Developer if the City does not receive funds from the WEDC.

(b) Loan. The City and the Developer will enter into that certain loan agreement, a form of which is attached hereto as EXHIBIT D, which is conditioned on the City's receipt of the Grant.

(c) Improvements. In cooperation with Developer, the City will make City Improvements listed on EXHIBIT B, which are conditioned on the City's receipt of the Grant.

3. Conditions. Prior to the City's performance under this Agreement, Developer shall satisfy the following conditions:

(i) Provide the City with evidence reasonably satisfactory to the City that Developer owns fee simple title to the Property.

(ii) Provide City with copies of permits, licenses and other documents as reasonably requested by City to confirm that Developer has complied with all necessary federal and state laws, regulations and

ordinances necessary to obtain the governmental approvals required for the intended construction of the Project, including without limitation a building permit for Developer's Improvements.

- (iii) Provide City with a copy of all plans and complete specifications for construction of Developer's Improvements, which plans and specifications must be reasonably acceptable to City.
- (iv) Provide the City with copies of such organizational documents as City shall reasonably require, as well as an incumbency certificate identifying the parties authorized to act on behalf of the Developer.
- (v) Developer shall provide Matching Funds in a ratio of 3:1 as compared to the Grant for Grant Eligible Project Costs. "Matching Funds" means non-Grant funds secured by Developer to fund Grant Eligible Project Costs, which may not be in-kind. "Grant Eligible Project Costs" means building construction expenses for the Project, which do not include soft costs for the construction.
- (vi) The Grant dollars shall only be utilized for Grant Eligible Project Costs.
- (vii) Developer shall submit documentation to the City of all Grant Eligible Project Costs incurred against the requested disbursement of the Grant funds, as required by WEDC. Such documentation may include, but not be limited to, purchase orders and invoices.
- (viii) Developer shall request all Grant funds no later than March 1, 2023.

EXHIBIT B

Infrastructure Improvements

The City will assist with infrastructure updates to the Property and surrounding properties, which together with the Loan will be in an amount of approximately \$150,000.00, including the following: (1) re-routing the rain/roof water to the west at 2nd Street; (2) tie the down spout and then route rainwater into the storm sewer; (3) replace 10' of sidewalk, curb, gutter and concrete paving; (4) upgrade the water laterals for the building in the front of the building on Main Street; and (5) replace approximately 12' of sidewalk, curb, gutter and asphalt paving.

EXHIBIT C

Developer's Improvements

Restore the building on the Property to be closer to its original appearance and prominence, as an important and historical building in Walworth County, including the following:

- Remove stucco covering the front and side elevations.
- Open the window opening and replace windows with modern windows of the same size and appearance of the original window on the upper floors on the front and side elevation.
- Depending on condition found, will repair existing and /or cover facade with material that resembles the original or historical fitting look to the building.
- Repair and replace all structures and update all systems to current code, this includes electrical, plumbing and roofing fire protection systems.

The build out of the lower level will allow for the flexibly to accommodate various commercial tenant(s). The renovated commercial space is estimated to be 4000 to 6000 sq feet. The upper floors will be developed into a mix of different living spaces designed with higher end amenities. The upper residential space will contain 12 separate residential units varying between 1 and 2 bedrooms each. The property owner has based his exterior renovation on the original design rendering provided by the Wisconsin Main Street program.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

CDA Façade Loan - 2022

FINANCIAL IMPACT

(If none, state N/A)

\$36509.83 CDI Grant
\$75,000 – Facade Loan which is being repaid.

STAFF RECOMMENDATION

Staff has no recommendations at this time.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

Loan Agreement
Development Agreement

**FAÇADE LOAN AGREEMENT
BETWEEN BOWER'S HOUSE LLC AND THE COMMUNITY
DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN**

THIS FAÇADE LOAN AGREEMENT (hereinafter the "Loan Agreement") is entered into by and between THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (hereinafter referred to as the "CDA") and BOWER'S HOUSE LLC, a Wisconsin limited liability company ("Owner").

WHEREAS, Owner has acquired the following described real estate located at 183 West Main Street in the City of Whitewater, Walworth County, Wisconsin (hereinafter referred to as the "Property"), to-wit:

The West 33 ft. of what is now Lot 3 of Block 8 of Whitewater Village, now City, as Resurveyed, being sometimes known as the Original Town of Whitewater, Walworth County, Wisconsin.

Also, another piece of land adjoining the last mention piece on the S. and described as follows:

So much of the N. 1/3rd part of Lot 2 in said Block 8 as was not sold by Levi Powers to S. Clark by deed dated July 15, 1855, and recorded October 2, 1855, in Volume 21 of Deeds, Page 581, Walworth County Records.

Also, a third piece of land described as follows:

A part of said Lot 3 in said Block 8 bounded as follows:

Beginning on the N. line of said Lot 3, 30 ft. west of the N.E. comer and running W'ly along the N. line of lot 20 ft. thence S'ly at right angles to the N. line of the lot to the S. line thereof; thence E'ly on the S. line 20 ft thence N'ly to the place of beginning; being the property known as the "Bower House" and extending from main Street back to the N. wall of property formerly known as the "Hucker Saloon" Including use of the N. Wall as a part wall.

WHEREAS, Owner, by its member, Gregory Aprhamian, has caused to be prepared plans and specifications for the renovation and improvement of the Property (said renovations and improvements in accordance with the plans so approved by the City of Whitewater Plan and Architectural Review Commission being hereinafter referred to as the "Improvements"); and

WHEREAS, the Improvements to be made to the Property include exterior alterations and improvements which qualify as façade improvements under the CDA's Façade Loan Program; and

WHEREAS, Owner will be obtaining loans from First Citizens State Bank (the "Senior Mortgage Lender") in the principal sum of approximately \$1,200,000 to provide funds for certain Improvements to the Property, which loan is to be secured by a mortgage on the Property to be executed by Owner in favor of Senior Mortgage Lender, and which loan from the Senior Mortgage Lender is to be further secured by a related assignment of leases and rents in favor of the Senior Mortgage Lender (which loans to Owner by Senior

Mortgage Lender and all extensions or renewals of, and refinancings of, but not increases in the principal amount of, or re-advances of principal with respect to, said loan being hereinafter referred to as the "Senior Mortgage Indebtedness"); and

WHEREAS, the Owner has requested that the CDA loan Owner the sum of \$75,000.00 under the CDA's Façade Loan Program, and the CDA has approved the extension of a \$75,000.00 façade loan to Owner, subject to conditions, and on terms and conditions, set forth below; and

WHEREAS, the parties deem it to be mutually advantageous to enter into this Loan Agreement to set forth the terms and conditions mutually acceptable to them with respect to such façade loan by the CDA to Owner.

NOW, THEREFORE, it is agreed by and between the CDA and Owner as follows:

1. The foregoing recitals are incorporated herein by reference as material terms and provisions of this Agreement.

2. The CDA hereby agrees to loan to Owner, and Owner agrees to borrow from the CDA, the sum of Seventy Five Thousand and no/100 Dollars (\$75,000.00) representing a façade loan by the CDA to Owner to cover certain costs to be incurred by Owner related to the renovation and improvements to the exterior facades of the building located on the Property, with Fifty Thousand and no/100 Dollars (\$50,000.00) being loaned at closing and the remaining amount being loaned on August 1, 2022. The loan shall bear interest prior to maturity at the rate of one percent (1%) per annum on the un-repaid principal balance from time to time outstanding, and principal and interest shall be due and payable in thirty-six (36) equal monthly installments based on said 1% interest rate and an amortization period of five years, including principal and interest, of the amounts listed in the Promissory Notes, with the first such installment being due on the second anniversary from the date of closing of this façade loan transaction, and with subsequent monthly installments being due on the same day of each succeeding month thereafter, with a final installment equal to the full remaining unpaid principal balance plus accrued interest being due and payable five (5) years from the date of the closing of this façade loan transaction. The loan shall be evidenced by two Promissory Notes from Owner to the CDA in the form and on the terms and conditions set forth in Exhibit A attached hereto and incorporated herein by reference which shall be executed and delivered by Owner to the CDA at the time of the closing of this facade loan transaction, or as agreed by the parties. The obligations of Owner to the CDA under the Promissory Notes attached as Exhibit A to be executed and delivered by Owner to the CDA at the time of the loan closing, as well as the obligations of Owner to the CDA under this Loan Agreement, shall be secured by a mortgage, assignment of leases and rents and security agreement establishing a lien on the Property and fixtures in favor of the CDA on the terms and conditions set forth in the Assignment of Leases and Rents and Security Agreement/Fixtures Filing (the "Mortgage") attached hereto as Exhibit B and incorporated herein by reference. The lien of the Mortgage from Owner to the CDA given as security for the façade loan Promissory Notes and the performance of the obligations of Owner under this Loan Agreement shall be subordinate to the lien of the mortgage and assignment of leases and

rents acting as security for, but only to the extent acting as security for, the Senior Mortgage Indebtedness.

3. The obligations of Owner to the CDA, as evidenced by the Promissory Notes attached hereto as Exhibit A and the Mortgage attached hereto as Exhibit B, both of which shall be executed by Owner in favor of the CDA at closing, and the obligations of Owner to the CDA under this Loan Agreement, shall be personally guaranteed by Gregory Aprahamian. The obligation of the CDA to consummate this loan is contingent upon Gregory Aprahamian executing and delivering to the CDA at the time of the loan closing, the Personal Guaranty attached hereto as Exhibit C and incorporated herein by reference.

4. The obligation of the CDA to consummate this facade loan to Owner is further contingent upon Owner causing to be delivered to the CDA, at the time of loan closing, a loan policy of title insurance insuring to the satisfaction of the CDA and its legal counsel, that the lien of the Mortgage from Owner to the CDA is a valid lien against the Property superior to all other liens and encumbrances subordinate only to the lien of the mortgage to the Senior Mortgage Lender securing, but only to the extent securing, the Senior Mortgage Indebtedness. Along with attorney's fees for the CDA, the recording fees for recording of the Mortgage from Owner to the CDA and the title insurance premium for the required loan policy of title insurance in favor of the CDA shall be the responsibility of Owner and shall be paid and disbursed at closing out of the \$75,000.00 facade loan proceeds.

5. The obligation of the CDA to consummate this facade loan to Owner under this Loan Agreement is further contingent upon Owner causing to be delivered to the CDA, at the time of the loan closing, written agreements, approvals, certifications or authorizing actions as legal counsel for the CDA may deem necessary or appropriate to establish and confirm that all actions and approvals on behalf of, and/or by the Members of, the entities comprising Owner have been obtained and/or taken to authorize and approve the borrowing by Owner from the CDA of the facade loan pursuant to the terms of this Agreement and authorizing the execution and delivery of documents on behalf of the entities comprising Owner as anticipated by this Agreement.

6. In the event the Property or any portion of the Property or any interest therein is sold or transferred, directly or indirectly, by Owner prior to payment in full of the facade loan, the facade loan shall, at the option of the CDA, become immediately due and payable.

7. Owner agrees to maintain and provide to the City by not later than March 1, 2023, copies of invoices establishing that Owner has expended for improvements to the façades (defined as the visible exterior of the building and physical structure that supports it) of the building on the Property, including exterior façade redevelopment project architectural expenses, in a sum of not less than the amount received under this loan, and such lien waivers as the CDA or its legal counsel may deem appropriate.

8. Owner agrees that it will not discriminate against any contractor, employee or applicant for employment, nor any tenant or purchaser of all or any portion of the Property, because of age, race, color, national origin, religion, sex, sexual orientation, developmental disability as

defined in Section 51.05(5) of the Wisconsin Statutes, physical condition or handicap with respect to the ownership, redevelopment, improvement or leasing of the Property with respect to which this facade loan is being made by the CDA to Owner.

9. Closing of this facade loan transaction shall occur at the place designated by the CDA on or before April 30, 2022, or on such other date or at such other place as may be mutually agreed upon between the CDA and Owner.

10. No amendment, modification, termination or waiver of any provision of this Agreement, nor consent to any departure from this Agreement, shall in any way be effective unless the same shall be in writing and signed by the duly-authorized officer or officers or representatives of each of the parties to this Agreement.

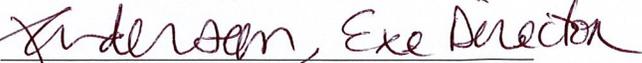
11. The validity, construction and enforcement of this Agreement and the documents and agreements anticipated hereby shall be governed by the laws of the State of Wisconsin. The terms and provisions of this Agreement and the documents attached hereto as Exhibits shall not be more strictly construed against one party than against the other merely by virtue of the fact that this Agreement or such document has been prepared by legal counsel for one of the parties, it being recognized that both the CDA and Owner and their respective legal counsel have contributed, and/or have had the opportunity to contribute substantially and materially to the preparation and content of this Agreement and the documents attached hereto as Exhibits.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly-authorized officers and/or representatives on the date set forth below.

Executed on the dates set forth below, effective as of April 11, 2022.

April 11, 2022

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN

By: 
Cathy Anderson, Executive Director

And By: 
Patrick Singer, Chair

April 11, 2022

BOWER'S HOUSE LLC

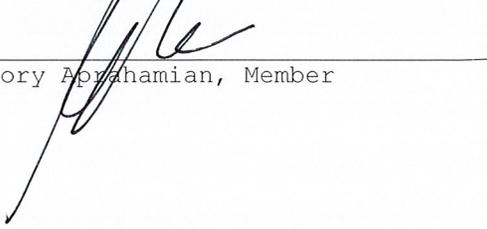
By: 
Gregory Aprahamian, Member

EXHIBIT LISTING

- EXHIBIT A Façade Loan Promissory Notes
- EXHIBIT B Real Estate Mortgage
- EXHIBIT C Personal Guaranty

EXHIBIT A

PROMISSORY NOTE
 Commercial Façade Loan
 (BOWER'S HOUSE LLC - 183 West Main St.)

April 11, 2022

\$50,000.00 (U.S.)

BOWER'S HOUSE LLC, as Maker, promises to pay to the order of THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (hereinafter referred to as the "CDA") at such place as the CDA may from time to time direct, the principal sum Fifty Thousand and no/100 Dollars (\$50,000.00) U.S., together with interest at the rate or rates hereinafter specified as follows:

- A. This Promissory Note bears interest on the disbursed and unpaid principal balance prior to maturity at the rate of two percent (1%) per annum.
- B. The \$50,000.00 principal amount of this Note, together with interest on the un-repaid principal balance from time to time outstanding, shall be payable in forty-seven (47) equal monthly installments, including principal and interest, of One Thousand Eighty Three and 64/100 Dollars (\$1,083.64) each, with the first such monthly installment being due and payable on the anniversary of the first month from the date of execution of this Note by Maker, and with like monthly installments being due and payable on the same day of each succeeding month thereafter, plus a final installment equal to the full remaining principal balance plus accrued interest being due and payable March 11, 2028.
- C. Interest, prior to maturity, shall be computed for the number of days principal is unpaid on the basis of a 365-day year on a daily rate basis of 1/365th of the annual rate, without compounding; notwithstanding the foregoing, any monthly installment received by the CDA within ten (10) days of its due date shall be considered to have been paid and received on its due date for interest calculation purposes.
- D. All unpaid principal and any accrued interest shall bear interest after maturity of this Note, whether occurring through lapse of time or acceleration, at the rate of eight percent (8%) per annum until paid in full, with interest being calculated on a daily rate basis at 1/365^{ths} of the annual rate.
- E. Full or partial prepayment of this Promissory Note is permitted at any time without penalty.

The terms and provisions of the Façade Loan Agreement between Maker and the CDA bearing even date herewith are incorporated herein by reference into this Promissory Note as if fully set forth herein.

This Promissory Note is secured by a lien on real estate owned by Maker located at 183 West Main Street in the City of Whitewater, Walworth County, Wisconsin (Tax Parcel No. /OT 00070); the loan evidenced by this Note is made by the CDA to Maker to fund a portion of the cost of exterior façade improvements to said real estate. Said lien on the aforementioned real estate is established by a Mortgage bearing even date herewith from Maker to the CDA, the lien of which Mortgage is subordinate only to the lien of a mortgage from Maker to First Citizens State Bank dated December 29, 2021 to

the extent, but only to the extent, said lien secures the obligations of Maker to First Citizens State Bank under a note from Maker to First Citizens State Bank dated December 29, 2021, and all extensions or renewals of, and refinancings of said loan ("Senior Mortgage Indebtedness").

In the event of any direct or indirect sale or transfer, whether voluntary or involuntary, of all or any portion of the property securing this loan prior to maturity of this Promissory Note, the CDA shall have the right to declare the entire remaining unpaid balance of principal plus then-accrued interest to be immediately due and payable in full. For purposes of the foregoing provision, any transfer of any existing percentage interest in Maker of fifty (50%) percent or any issuance of any additional percentage interests in Bower's House LLC to any third party which results in any ownership interest or voting or control rights being vested in any person, firm or entity other than Gregory Aprahamian, shall be deemed to be a sale or transfer of an interest in the property securing this loan.

In the event Maker fails to make any payment of principal or interest due under this Promissory Note or fails to comply with any other term or provisions contained in this Promissory Note, the Mortgage securing this Note, the related Assignment of Leases and Rents, or the Façade Loan Agreement between Maker and the CDA, the CDA will notify Maker in writing of the potential for a default, the action required to avoid a default, and a date which is not less than ninety (90) days subsequent to the date on which the payment was originally due or on which the failure originally occurred, and not less than sixty (60) days from the date of the notice, by which such action as may be required must be performed. In the event Maker does not carry out such action as is required by the CDA within the time specified in said notice, Maker will then be in default under the provisions of this Promissory Note. In the event of a default, all sums due and owing to the CDA under this Promissory Note, including the full unpaid principal balance and all accrued interest shall, at the option of the CDA, become immediately due and payable without further notice.

Presentment, protest, demand and notice of dishonor are waived. Without affecting the liability of Maker, or any guarantor of the performance of Maker's obligations to the CDA under this Promissory Note, the Mortgage and related Assignments of Leases and Rents securing this Note, or the Façade Loan Agreement between Maker and the CDA, the CDA may, without notice, grant renewals or extensions, accept partial payments, and/or agree not to sue any party liable to the CDA whether directly under this Promissory Note or the Mortgage securing this Note or as guarantor of the performance of Makers to the CDA. Maker agrees to pay all costs of collection and enforcement, including, to the extent not prohibited by law, reasonable attorneys' fees. Maker hereby acknowledges receipt of a complete copy of this Promissory Note. The terms and provisions of this Promissory Note are binding upon Maker, and successors and assigns, and shall inure to the benefit of the CDA, its successors and assigns.

BOWER'S HOUSE LLC

By _____
Gregory Aprahamian, Member

Document Number	REAL ESTATE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT/FIXTURES FILING
	<p>Bower's House LLC ("Mortgagor") mortgages, grants, conveys and warrants to The Community Development Authority of the City of Whitewater, Wisconsin, a body politic created by the City of Whitewater, Wisconsin, a Wisconsin municipal corporation located in Walworth and Jefferson Counties, Wisconsin (The Community Development Authority of the City of Whitewater, Wisconsin being hereinafter referred to as "Mortgagee"), in consideration of the sum being loaned by Mortgagee to Mortgagor in accordance with the terms and provisions of a certain Façade Loan Agreement with respect to the property located at 183 West Main Street in the City of Whitewater, Walworth County, Wisconsin between Mortgagor and Mortgagee bearing even date herewith (said Façade Loan Agreement with respect to the premises located at 183 West Main Street, City of Whitewater, Walworth County, Wisconsin being hereinafter referred to as the "Loan Agreement"), which loan, pursuant to the Loan Agreement, is evidenced by Promissory Notes from Mortgagor to Mortgagee (the "Notes"), to secure payment of and performance of the obligations of Mortgagor to Mortgagee under the Loan Agreement, this Mortgage, the Notes, and any extensions, renewals and modifications of any of the foregoing and any refinancing thereof (the obligations of Mortgagor to Mortgagee under the Loan Agreement, this Mortgage, the Notes and any extensions, renewals and modifications thereof, and any refinancings thereof, being hereinafter referred to as the "Obligation"), the following property, together with all rights and interests appurtenant thereto in law or in equity, all present and future leases, rents, issue and profits arising therefrom, including insurance proceeds and condemnation awards, and all structures, improvements and fixtures located thereon, in the City of Whitewater, County of Walworth, State of Wisconsin ("Property"), to-wit:</p> <p>The West 33 ft. of what is now Lot 3 of Block 8 of <u>Whitewater Village, now City, as Resurveyed</u>, being sometimes known as the Original Town of Whitewater, Walworth County, Wisconsin.</p> <p>Also, another piece of land adjoining the last mention piece on the S. and described as follows:</p> <p>So much of the N. 1/3rd part of Lot 2 in said Block 8 as was not sold by Levi Powers to S. Clark by deed dated July 15, 1855, and recorded October 2, 1855, in <u>Volume 21 of Deeds, Page 581</u>, Walworth County Records.</p> <p>Also, a third piece of land described as follows:</p> <p>A part of said Lot 3 in said Block 8 bounded as follows:</p> <p>Beginning on the N. line of said Lot 3, 30 ft. west of the N.E. corner and running W'ly along the N. line of lot 20 ft. thence S'y at right angles to the N. line of the lot to the S. line thereof; thence E'ly on the S. line 20 ft thence N'ly to the place of beginning; being the property known as the "Bower House" and extending from main Street back to the N. wall of property formerly known as the "Hucker Saloon" Including use of the N. Wall as a part wall.</p>
1.	<p>MORTGAGOR'S COVENANTS.</p>
a.	<p>COVENANT OF TITLE. Mortgagor warrants title to the Property, except restrictions and easements of record, if any, and further excepting the following (hereinafter each being referred to as the "Senior Mortgage"), to-wit:</p>
	<p>Mortgage from Bower's House LLC, a Wisconsin limited liability company to First Citizens Bank, in the original amount of \$920,000.00 dated December 29, 2021, recorded January 11, 2022, as Document No. 1054511.</p>
	<p>Assignment of Rents from Bower's House LLC to First Citizens State Bank, dated December 29, 2021, recorded January 11, 2022, as Document No. 1054512.</p>
b.	<p>FIXTURES. Any property which has been affixed to the Property and is used in connection with it is intended to become a fixture. Mortgagor waives any right to remove such fixture from the Property which is subject to this Mortgage.</p>
c.	<p>TAXES. Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagee's interest in it and to deliver to Mortgagee on demand receipts showing such payment.</p>
d.	<p>INSURANCE. Mortgagor shall keep the improvements on the Property insured against loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, without co-insurance, through insurers approved by Mortgagee, in the amount of the full replacement value of the improvements on the Property. Mortgagor shall pay the insurance premiums when due. The policies shall contain the standard mortgage clause in favor of Mortgagee, and evidence of all policies covering the Property shall be provided to Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Mortgagee deems the restoration or repair to be economically feasible.</p>
e.	<p>OTHER MORTGAGEES OR LIENS. Mortgagor shall timely perform all of Mortgagor's obligations which may be or become secured at any time by a mortgage or other lien on the</p>
	<p>RETURN TO: James J. Wawrzyn SmithAmundsen LLC 330 E. Kilbourn Ave Tower 1, 11th Floor Milwaukee, WI 53202</p>
	<p>/OT 00070 (Parcel Identification Number)</p>
	<p>This is not homestead property.</p>
	<p>This is not a purchase money mortgage.</p>

Property in favor of any third party. Failure of Mortgagor to timely perform any obligation under the preceding sentence shall be deemed to be a default under the terms of this Mortgage and the Obligation it secures, and, upon any such default or deemed default under the foregoing provisions of this sentence, the entire balance under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee, without notice, which notice is hereby waived.

f. **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from liens superior to the lien of this Mortgage other than the lien of the Senior Mortgage in favor of First Citizens State Bank securing Senior Mortgage Indebtedness as defined in subparagraph a. above and to comply with all laws, ordinances and regulations affecting the Property.

2. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due, and in the performance of the terms, conditions and covenants contained herein or in the Obligation secured hereby. In the event of default, Mortgagee may, at its option, declare the whole amount of the unpaid principal and accrued interest due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy available at law or equity.

3. **NOTICE.** Unless otherwise provided in the Obligation secured by this Mortgage, prior to any acceleration (other than under subparagraph l.e. above or under paragraph 9. below) Mortgagee shall notify Mortgagor in writing of the potential for a default, the action required to avoid a default, and a date which is not less than ninety (90) days subsequent to the date on which the payment was originally due or on which the failure originally occurred, and not less than sixty (60) days from the date of the notice, by which such action as may be required must be performed; in the event Mortgagor does not carry out such action as is required within the time specified in said notice, the entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without further notice, which notice is hereby waived.

4. **EXPENSES AND ATTORNEY FEES.** In case of default, whether abated or not, all costs and expenses, including, but not limited to, reasonable attorney fees, to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure be included in the judgment.

5. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Sections 846.101 and 846.103, Wis. Stats., as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and hold the foreclosure sale within the time provided in such applicable Section.

6. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues and profits of the Property during the pendency of such an action, and such rents, issues and profits when so collected shall be held and applied as the court shall direct.

7. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

8. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any Obligation secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the Obligation secured by this Mortgage and shall constitute a lien upon the Property.

9. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, upon any transfer, sale or conveyance made in violation of this paragraph. A violation of the provisions of this paragraph will be considered a default under the terms of this Mortgage and the Obligation it secures.

10. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control following any default under this Mortgage or the Obligation secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property in accordance with the provisions of Section 708.11, Wis. Stats., as may be amended. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

11. **ENVIRONMENTAL PROVISION.** Mortgagor represents, warrants and covenants to Mortgagee that (a) during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about 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 other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner or person using the Property; (c) without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components ("PCBs") or underground storage tanks; (d) there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation

relating to any Hazardous Substance; and (f) Mortgagor in the past has been, at the present is and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee from all loss, cost (including reasonable attorney fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of or based upon (i) 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, (ii) 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 the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

12. SECURITY INTEREST ON FIXTURES. To further secure the payment and performance of the Obligation, Mortgagor hereby grants to Mortgagee a security interest in:

CHOOSE ONE OF THE FOLLOWING OPTIONS; IF NEITHER IS CHOSEN, OPTION A SHALL APPLY:

- A. All fixtures and personal property owned by Mortgagor located on or related to the operations of the Property whether now owned or hereafter acquired, which security interest is inferior only to the security interest of the Senior Mortgage Indebtedness and filing by First Citizens State Bank.
- B. All property listed on the attached schedule.

This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. Mortgagor authorizes Mortgagee to file such Uniform Commercial Code Financing Statements, continuations thereof and amendments thereto as Mortgagee may from time to time reasonably deem advisable to establish, perfect and continue perfected Mortgagee's security interest in and lien upon the above identified fixtures and personal property and proceeds thereof. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) each Mortgagor shall be deemed a "debtor"; (2) Mortgagee shall be deemed to be the "secured party" and shall have all of the rights of a secured party under the Uniform Commercial Code; (3) the address of the secured party is 312 West Whitewater Street, P.O. Box 688, Whitewater, WI 53190 (4) this Mortgage covers goods which are or are to become fixtures; (5) the name of the record owner of the land is the debtor; (6) the legal name and address of each debtor and the state of organization and the organizational identification number of each debtor are: Shabani Investments LLC (Wisconsin Entity ID No. S134142, 11337 E. County Road N, Whitewater, WI 53190.

13. AUTHORIZATION FOR DISCLOSURE. Each Mortgagor hereby authorizes and directs the holder of any mortgage or other lien against the Property to disclose to the CDA, from time to time as requested by the CDA, all information with regard to performance of Mortgagor's obligations under or secured by any such mortgage or agreement establishing such lien on the Property and the remaining balances of such obligations and to furnish the CDA with copies of any notice given to Mortgagor in relation to any such mortgage or other lien on the Property and the obligations secured thereby simultaneously with the giving of such notice to Mortgagor.

14. SINGULAR; PLURAL. As used herein, the singular shall include the plural and any gender shall include all genders.

15. JOINT AND SEVERAL LIABILITY. The covenants of this Mortgage set forth herein shall be deemed joint and several among Mortgagors, if more than one.

16. INVALIDITY. In the event any provision or portion of this instrument is held to be invalid or unenforceable, this shall not impair or preclude the enforcement of the remainder of the instrument.

Dated: April 11, 2022

Bower's House LLC

By _____
Gregory Aprahamian, Member

ACKNOWLEDGMENT

STATE OF WISCONSIN)
) SS
COUNTY OF Walworth)

Personally came before me this ___ day of April, 2022, the above named Gregory Aprahamian, to me known to be the person who executed the foregoing instrument and acknowledged the same as the duly-authorized act and deed of Bower's House LLC, a Wisconsin member-managed limited liability company.

_____, Notary Public
_____, County, State of Wisconsin
My commission expires: _____.

THIS INSTRUMENT DRAFTED BY:
James J. Wawrzyn
State Bar No. 1059563
330 East Kilbourn Avenue, Tower 1, 11th Floor
Milwaukee, WI 53202

EXHIBIT C

**PERSONAL GUARANTY
(BOWER'S HOUSE LLC)**

The undersigned, Gregory Aprahamian ("Guarantor"), for value received, and to induce the Community Development Authority of the City of Whitewater, Wisconsin ("Lender") to extend credit to Bower's House LLC ("Obligor"), hereby jointly and severally guarantee full and timely:

- 1) payment of all sums (including, without limitation, principal, interest, fees, penalties, costs and expenses for the preservation of any collateral and for enforcement and collection) due or to become due under the Obligation described below; and
- 2) performance of all acts to be accomplished by the Obligor under the Obligation described below.

Guarantor agrees that Guarantor may be joined in any action or proceeding commenced by Lender against Obligor in connection with or based upon the Obligation and that recovery may be had against Guarantor in any such action or proceeding, or in any independent action or proceeding against Guarantor, without any requirement that Lender and its successors or assigns first assert, prosecute or exhaust any remedy or claim against Obligor and its successors and/or assigns, or against any collateral securing the Obligation. Guarantor agrees that Lender and Obligor may amend, renew, modify or extend the Obligation without Guarantor's consent or notice to Guarantor, and that this Guaranty shall remain in full force and effect as to any renewal, extension, modification or amendment of the Obligation and may be enforced by any assignee of or successor to Lender. Guarantor agrees that the validity of this Guaranty and the obligations of Guarantor shall not in any way be terminated, affected or impaired by reason of any action which Lender might take or be forced to take against Obligor, any collateral securing the Obligation or any other guarantor of the Obligation, or by reason of any waiver of, or failure to enforce, any of the rights or remedies of Lender, or by reason of any extension of time or other forbearance granted to Obligor by Lender. Guarantor agrees that this Guaranty is a continuing guaranty and shall not be revoked by the death of the undersigned. Guarantor hereby waives the right to notice of any and all notices or demands which may be given by Lender to Obligor, whether or not required to be given under the Obligation and hereby waives any notice of acceptance of this guaranty by Lender.

Guarantor further waives all diligence of collection, presentment, protest and all rights of contribution or subrogation against Guarantor until Lender is made whole. Guarantor further hereby waives all suretyship defenses generally, and the right to petition for the marshalling of assets.

The Obligation subject to this Guaranty is the indebtedness evidenced by any note or agreement payable to Lender and the obligations of Obligor under and/or provided for in the Loan Agreement dated April 11, 2022, between Obligor and Lender, plus interest, charges, fees and costs provided for in the note, agreement or any agreement securing either, and any extensions, renewals, deferrals, modifications or consolidations of any of the foregoing.

Guarantor agrees that: the validity, construction and enforcement of this Guaranty are governed by the internal laws of Wisconsin, except to the extent such laws are pre-empted by Federal Law; invalidity of any provision of this Guaranty shall not affect the validity of any other provisions of this Guaranty; this Guaranty benefits Lender, its successors and assigns, and binds Guarantor, and Guarantor's respective heirs, personal representatives, successors and assigns; and this Guaranty shall continue in full force and effect, notwithstanding any change in structure or status of Obligor whether by merger, consolidation, reorganization, dissolution or otherwise.

Guarantor acknowledges and agrees that Lender (a) has not made any representations or warranties with respect to, (b) does not assume any responsibility to Guarantor for, and (c) has no duty to provide information to Guarantor regarding, the enforceability of any of the Obligations or the financial condition of Obligor or any guarantor, Guarantor has independently determined the creditworthiness of Obligor and the enforceability of the Obligation and until the Obligation is paid in full and fully performed independently and without reliance on Lender continue to make such determinations.

The undersigned, Gregory Aprahamian, hereby warrants and represents to the Community Development Authority of the City of Whitewater, Wisconsin that he resides at S107W30511 Sandy Beach Road, Mukwonago, WI 53149.

Dated April 11, 2022

GUARANTOR:

Gregory Aprahamian

ACKNOWLEDGMENT

STATE OF WISCONSIN)
)SS
COUNTY OF WALWORTH)

Personally came before me this ___ day of _____, 2022, the above named Gregory Aprahamian, to me known or satisfactorily proven to be the person who executed the foregoing instrument and acknowledged the same.

_____, Notary Public
_____ County, State of
Wisconsin
My commission expires: _____

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement"), entered into effective as of April 11, 2022 ("Effective Date"), by and between the City of Whitewater, Wisconsin ("City") and Bower's House LLC, a Wisconsin limited liability company (the "Developer"). Each of the forgoing may also be referred to in this Agreement as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Article XI, Section 3 of the Wisconsin Constitution grants cities the right to determine their local affairs in government, subject to the Constitution and certain enactments of the legislature of the State of Wisconsin;

WHEREAS, the State of Wisconsin legislature adopted Wisconsin Statute Section 62.11(5), which grants to common councils of cities the power to act for the government and good order of the city, for its commercial benefit and for the health, safety and welfare of the general public;

WHEREAS, the City desires to encourage development, eliminate blight and prevent blight with the City;

WHEREAS, the Developer owns the property described on EXHIBIT A attached hereto (the "Property");

WHEREAS, the Developer has filed, or will file, with the City plans, specifications, documents and exhibits if and as required by the City for the development of the Property and for making other improvements (the "Project");

WHEREAS, the City has applied for a Community Development Incentive Grant from the Wisconsin Economic Development Corporation ("WEDC") for Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) related to the improvements to the Property (the "Grant"); and

WHEREAS, as part of the WEDC application, the City has committed to providing a loan (the "Loan") and certain infrastructure improvements described on EXHIBIT B (the "City Improvements") and together with the Loan, the "Commitments").

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and the following promises and mutual obligations of the Parties hereto, each of them does hereby covenant and agree as follows:

1. Developer Improvements. Developer shall complete improvements to the Property in accordance with the terms, conditions and requirements of EXHIBIT C ("Developer's Improvements"). The plans, specifications and site plans for Developer's Improvements are subject to City approval and Developer shall not commence construction of Developer's Improvements until such time as the City has approved such plans,

specifications and site plans in writing. After the City's approval of Developer's Improvements, such documents shall not be modified without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. City's approval of Developer's Improvements shall not excuse Developer from complying with any other governmental approvals, permits, ordinances or laws that are applicable to the Property or Developer's Improvements. All work to be performed by the Developer related to Developer's Improvements shall be performed in a good and workmanlike manner and consistent with the prevailing industry standards for such work in the area of the City. Developer shall perform all work in compliance with all applicable laws, regulations, ordinances and buildings codes and shall obtain and maintain all necessary permits and licenses for such work.

2. City Commitments.

(a) Grant. If the WEDC awards the Grant to the City, the City agrees to administer and disburse the Grant funds as set forth herein but shall not be liable to Developer if the City does not receive funds from the WEDC.

(b) Loan. The City and the Developer will enter into that certain loan agreement, a form of which is attached hereto as EXHIBIT D, which is conditioned on the City's receipt of the Grant.

(c) Improvements. In cooperation with Developer, the City will make City Improvements listed on EXHIBIT B, which are conditioned on the City's receipt of the Grant.

3. Conditions. Prior to the City's performance under this Agreement, Developer shall satisfy the following conditions:

(i) Provide the City with evidence reasonably satisfactory to the City that Developer owns fee simple title to the Property.

(ii) Provide City with copies of permits, licenses and other documents as reasonably requested by City to confirm that Developer has complied with all necessary federal and state laws, regulations and ordinances necessary to obtain the governmental approvals required for the intended construction of the Project, including without limitation a building permit for Developer's Improvements.

(iii) Provide City with a copy of all plans and complete specifications for construction of Developer's Improvements, which plans and specifications must be reasonably acceptable to City.

(iv) Provide the City with copies of such organizational documents as City shall reasonably require, as well as an incumbency certificate identifying the parties authorized to act on behalf of the Developer.

(v) Developer shall provide Matching Funds in a ratio of 3:1 as compared to the Grant for Grant Eligible Project Costs. "Matching Funds" means non-Grant funds secured by Developer to fund Grant Eligible Project Costs, which may not be in-kind. "Grant Eligible Project Costs" means building construction expenses for the Project, which do not include soft costs for the construction.

(vi) The Grant dollars shall only be utilized for Grant Eligible Project Costs.

(vii) Developer shall submit documentation to the City of all Grant Eligible Project Costs incurred against the requested disbursement of the Grant funds, as required by WEDC. Such documentation may include, but not be limited to, purchase orders and invoices.

(viii) Developer shall request all Grant funds no later than March 1, 2023.

4. Default.

(a) **Events of Default.** A party shall be in default under this Agreement if such party shall fail to carry out or fulfill one or more of its obligations hereunder and such failure shall continue for a period of thirty (30) days following receipt of written notice from the other party specifying such failure; provided, however, if the nature of the default is such that it cannot be cured within thirty (30) days, a party shall not be in default if it immediately undertakes steps to cure the default after receipt of notice and then diligently and in good faith prosecutes the curing of such default to its conclusion.

(b) **Remedies.** If a party does not cure or undertake to cure a default within the time period set forth above, the non-defaulting party may pursue the remedies provided for in this Agreement or otherwise available at law or in equity. The rights and remedies of the parties, whether provided by law or provided by this Agreement, shall be cumulative, and the exercise of any one or more of such remedies shall not preclude the exercise at the same time or different times of any such other remedies for the same event of default or breach or of any remedies for any other event of default or breach by Developer. No waiver made by the City with respect to the performance or manner or time of any obligation of Developer under this Agreement shall be considered a waiver of any rights of the City to enforce any other obligations of Developer.

5. Miscellaneous.

(a) **Changes.** Parties to this Agreement may, from time to time, require changes in the scope of this Agreement. Such changes, which are mutually agreed upon by and between the Developer and the City shall be incorporated in written amendments to this Agreement.

(b) Approvals in Writing. Whenever under this Agreement approvals, authorizations, determinations, satisfactions, or waivers are authorized or required, such approvals, authorizations, determinations, satisfactions or waivers shall be effective and valid only when given in writing, signed by the duly authorized representative of the party, and delivered to the party to whom it is directed at the address specified in this Agreement. Whenever under this Agreement the consent, approval or waiver of the City is required or the discretion of the City may be exercised, the City Manager shall have the authority to act, as the case may be. Whenever any approval is required by the terms of this Agreement and request or application for such approval is duly made, such approval shall not be unreasonably withheld.

(c) Notices and Demands. A notice, demand, or other communication under this Agreement by any party to any other party shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

In the case of the Developer:

Bower' House LLC
 Attn: Gregory Aprahamian
 S107W30511 Sandy Beach Rd
 Mukwonago, WI 53149

In the case of the City:

City of Whitewater
 Attn: Cameron Clapper, City Manager
 P.O.Box 178
 Whitewater, WI 53190

(d) No Liability of City. The City shall have no obligation or liability to the lending institution, architect, contractor, or subcontractor, or any other party retained by Developer in the performance of its obligations and responsibilities under the terms and conditions of this Agreement. Developer specifically agrees that no representations, statements, assurances, or guarantees will be made by Developer to any third party or by any third party which are contrary to this provision.

(e) Completeness of Agreement. This Agreement and any addition of supplementary documents or documentation incorporated herein by specific reference contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement or any part hereof shall have any validity or bind any of the parties hereto.

(f) Matters to be Disregarded. The titles of the several sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of

reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

(g) Severability. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby.

(h) Recording of Agreement. The Agreement and any and all subsequent modifications thereof or additions thereto may, upon being duly executed, be recorded by either party with the Register of Deeds for Walworth County, Wisconsin.

(i) Successors and Assigns. The terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto as well as their respective successors, transferees, and assigns. Any transfer of any party's interest under this Agreement or real property described in EXHIBIT A shall not release the transferor from its obligations hereunder unless specifically agreed to herein.

(j) Ambiguities Not Construed. The Developer has had substantial input concerning the terms of this agreement, and therefore, any ambiguities will not be construed against the City on the basis that its attorney drafted this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Development Agreement to be signed as of the Effective Date.

DEVELOPER:

Bower's House LLC

By: [Signature]
Gregory Aprahamian, Member

CITY:

CITY OF WHITEWATER

By: [Signature]
Cameron Clapper, City Manager

By: Michele R. Smith
Michele R. Smith, City Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF WALWORTH)

STATE OF WISCONSIN)
) ss.
COUNTY OF WALWORTH)

Personally appeared before me this 11th day of April, 2022, the above-named Gregory Aprahamian, to me known to be the person who executed the foregoing agreement as such officers of said company, by its authority.

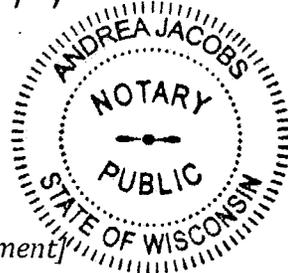
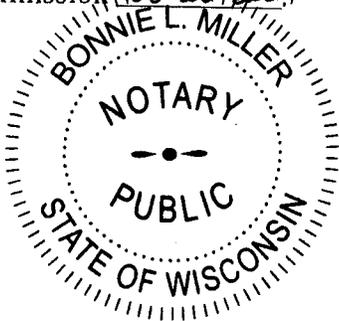
Personally appeared before me this 11th day of April, 2022, the above-named Cameron Clapper, City Manager, and Michele Smith, City Clerk, to me known to be such City Manager and City Clerk of the City of Whitewater, and to me known to be the persons who executed the foregoing agreement as such officers of said City, by its authority.

Bonnie L. Miller

Andrea Jacobs

Notary Public, State of Wisconsin
My commission 08/26/2024

Notary Public, State of Wisconsin
My commission 8/6/23



[Signature Page to Development Agreement]

EXHIBIT A
Property

The West 33 ft. of what is now Lot 3 of Block 8 of Whitewater Village, now City, as Resurveyed, being sometimes known as the Original Town of Whitewater, Walworth County, Wisconsin.

Also, another piece of land adjoining the last mention piece on the S. and described as follows:

So much of the N. 1/3rd part of Lot 2 in said Block 8 as was not sold by Levi Powers to S. Clark by deed dated July 15, 1855, and recorded October 2, 1855, in Volume 21 of Deeds, Page 581, Walworth County Records.

Also, a third piece of land described as follows:

A part of said Lot 3 in said Block 8 bounded as follows:

Beginning on the N. line of said Lot 3, 30 ft. west of the N.E. corner and running W'ly along the N. line of lot 20 ft. thence S'ly at right angles to the N. line of the lot to the S. line thereof; thence E'ly on the S. line 20 ft thence N'ly to the place of beginning; being the property known as the "Bower House" and extending from main Street back to the N. wall of property formerly known as the "Hucker Saloon" Including use of the N. Wall as a part wall.

Tax Key No. /OT 00070
Address: 187 W. Main Street

EXHIBIT B
Infrastructure Improvements

The City will assist with infrastructure updates to the Property and surrounding properties, which together with the Loan will be in an amount of approximately \$150,000.00, including the following: (1) re-routing the rain/roof water to the west at 2nd Street; (2) tie the down spout and then route rainwater into the storm sewer; (3) replace 10' of sidewalk, curb, gutter and concrete paving; (4) upgrade the water laterals for the building in the front of the building on Main Street; and (5) replace approximately 12' of sidewalk, curb, gutter and asphalt paving.

EXHIBIT C
Developer's Improvements

Restore the building on the Property to be closer to its original appearance and prominence, as an important and historical building in Walworth County, including the following:

- Remove stucco covering the front and side elevations.
- Open the window opening and replace windows with modern windows of the same size and appearance of the original window on the upper floors on the front and side elevation.
- Depending on condition found, will repair existing and /or cover façade with material that resembles the original or historical fitting look to the building.
- Repair and replace all structures and update all systems to current code, this includes electrical, plumbing and roofing fire protection systems.

The build out of the lower level will allow for the flexibly to accommodate various commercial tenant(s). The renovated commercial space is estimated to be 4000 to 6000 sq feet. The upper floors will be developed into a mix of different living spaces designed with higher end amenities. The upper residential space will contain 12 separate residential units varying between 1 and 2 bedrooms each. The property owner has based his exterior renovation on the original design rendering provided by the Wisconsin Main Street program.

EXHIBIT D
Form Loan Agreement
(See Attached)

EXHIBIT D

FAÇADE LOAN AGREEMENT
BETWEEN BOWER'S HOUSE LLC AND THE COMMUNITY
DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN

THIS FAÇADE LOAN AGREEMENT (hereinafter the "Loan Agreement") is entered into by and between THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (hereinafter referred to as the "CDA") and BOWER'S HOUSE LLC, a Wisconsin limited liability company ("Owner").

WHEREAS, Owner has acquired the following described real estate located at 183 West Main Street in the City of Whitewater, Walworth County, Wisconsin (hereinafter referred to as the "Property"), to-wit:

The West 33 ft. of what is now Lot 3 of Block 8 of Whitewater Village, now City, as Resurveyed, being sometimes known as the Original Town of Whitewater, Walworth County, Wisconsin.

Also, another piece of land adjoining the last mention piece on the S. and described as follows:

So much of the N. 1/3rd part of Lot 2 in said Block 8 as was not sold by Levi Powers to S. Clark by deed dated July 15, 1855, and recorded October 2, 1855, in Volume 21 of Deeds, Page 581, Walworth County Records.

Also, a third piece of land described as follows:

A part of said Lot 3 in said Block 8 bounded as follows:

Beginning on the N. line of said Lot 3, 30 ft. west of the N.E. corner and running W'ly along the N. line of lot 20 ft. thence S'ly at right angles to the N. line of the lot to the S. line thereof; thence E'ly on the S. line 20 ft thence N'ly to the place of beginning; being the property known as the "Bower House" and extending from main Street back to the N. wall of property formerly known as the "Hucker Saloon" Including use of the N. Wall as a part wall.

WHEREAS, Owner, by its member, Gregory Aprhamian, has caused to be prepared plans and specifications for the renovation and improvement of the Property (said renovations and improvements in accordance with the plans so approved by the City of Whitewater Plan and Architectural Review Commission being hereinafter referred to as the "Improvements"); and

WHEREAS, the Improvements to be made to the Property include exterior alterations and improvements which qualify as façade improvements under the CDA's Façade Loan Program; and

WHEREAS, Owner will be obtaining loans from First Citizens State Bank (the "Senior Mortgage Lender") in the principal sum of approximately \$1,200,000 to provide funds for certain Improvements to the Property, which loan is to be secured by a mortgage on the Property to be executed by Owner in favor of Senior Mortgage Lender, and which loan from the Senior Mortgage Lender is to be further secured by a related assignment of leases and rents in favor of the Senior Mortgage Lender (which loans to Owner by Senior

Mortgage Lender and all extensions or renewals of, and refinancings of, but not increases in the principal amount of, or re-advances of principal with respect to, said loan being hereinafter referred to as the "Senior Mortgage Indebtedness"); and

WHEREAS, the Owner has requested that the CDA loan Owner the sum of \$75,000.00 under the CDA's Façade Loan Program, and the CDA has approved the extension of a \$75,000.00 façade loan to Owner, subject to conditions, and on terms and conditions, set forth below; and

WHEREAS, the parties deem it to be mutually advantageous to enter into this Loan Agreement to set forth the terms and conditions mutually acceptable to them with respect to such façade loan by the CDA to Owner.

NOW, THEREFORE, it is agreed by and between the CDA and Owner as follows:

1. The foregoing recitals are incorporated herein by reference as material terms and provisions of this Agreement.

2. The CDA hereby agrees to loan to Owner, and Owner agrees to borrow from the CDA, the sum of Seventy Five Thousand and no/100 Dollars (\$75,000.00) representing a façade loan by the CDA to Owner to cover certain costs to be incurred by Owner related to the renovation and improvements to the exterior facades of the building located on the Property, with Fifty Thousand and no/100 Dollars (\$50,000.00) being loaned at closing and the remaining amount being loaned on August 1, 2022. The loan shall bear interest prior to maturity at the rate of one percent (1%) per annum on the un-repaid principal balance from time to time outstanding, and principal and interest shall be due and payable in forty-eight (48) equal monthly installments based on said 1% interest rate and an amortization period of five years, including principal and interest, of the amounts listed in the Promissory Notes, with the first such installment being due on the second anniversary from the date of closing of this façade loan transaction, and with subsequent monthly installments being due on the same day of each succeeding month thereafter, with a final installment equal to the full remaining unpaid principal balance plus accrued interest being due and payable five (5) years from the date of the closing of this façade loan transaction. The loan shall be evidenced by two Promissory Notes from Owner to the CDA in the form and on the terms and conditions set forth in Exhibit A attached hereto and incorporated herein by reference which shall be executed and delivered by Owner to the CDA at the time of the closing of this facade loan transaction, or as agreed by the parties. The obligations of Owner to the CDA under the Promissory Notes attached as Exhibit A to be executed and delivered by Owner to the CDA at the time of the loan closing, as well as the obligations of Owner to the CDA under this Loan Agreement, shall be secured by a mortgage, assignment of leases and rents and security agreement establishing a lien on the Property and fixtures in favor of the CDA on the terms and conditions set forth in the Assignment of Leases and Rents and Security Agreement/Fixtures Filing (the "Mortgage") attached hereto as Exhibit B and incorporated herein by reference. The lien of the Mortgage from Owner to the CDA given as security for the façade loan Promissory Notes and the performance of the obligations of Owner under this Loan Agreement shall be subordinate to the lien of the mortgage and assignment of leases and

rents acting as security for, but only to the extent acting as security for, the Senior Mortgage Indebtedness.

3. The obligations of Owner to the CDA, as evidenced by the Promissory Notes attached hereto as Exhibit A and the Mortgage attached hereto as Exhibit B, both of which shall be executed by Owner in favor of the CDA at closing, and the obligations of Owner to the CDA under this Loan Agreement, shall be personally guaranteed by Gregory Aprahamian. The obligation of the CDA to consummate this loan is contingent upon Gregory Aprahamian executing and delivering to the CDA at the time of the loan closing, the Personal Guaranty attached hereto as Exhibit C and incorporated herein by reference.

4. The obligation of the CDA to consummate this facade loan to Owner is further contingent upon Owner causing to be delivered to the CDA, at the time of loan closing, a loan policy of title insurance insuring to the satisfaction of the CDA and its legal counsel, that the lien of the Mortgage from Owner to the CDA is a valid lien against the Property superior to all other liens and encumbrances subordinate only to the lien of the mortgage to the Senior Mortgage Lender securing, but only to the extent securing, the Senior Mortgage Indebtedness. Along with attorney's fees for the CDA, the recording fees for recording of the Mortgage from Owner to the CDA and the title insurance premium for the required loan policy of title insurance in favor of the CDA shall be the responsibility of Owner and shall be paid and disbursed at closing out of the \$75,000.00 facade loan proceeds.

5. The obligation of the CDA to consummate this facade loan to Owner under this Loan Agreement is further contingent upon Owner causing to be delivered to the CDA, at the time of the loan closing, written agreements, approvals, certifications or authorizing actions as legal counsel for the CDA may deem necessary or appropriate to establish and confirm that all actions and approvals on behalf of, and/or by the Members of, the entities comprising Owner have been obtained and/or taken to authorize and approve the borrowing by Owner from the CDA of the facade loan pursuant to the terms of this Agreement and authorizing the execution and delivery of documents on behalf of the entities comprising Owner as anticipated by this Agreement.

6. In the event the Property or any portion of the Property or any interest therein is sold or transferred, directly or indirectly, by Owner prior to payment in full of the facade loan, the facade loan shall, at the option of the CDA, become immediately due and payable.

7. Owner agrees to maintain and provide to the City by not later than March 1, 2023, copies of invoices establishing that Owner has expended for improvements to the faades (defined as the visible exterior of the building and physical structure that supports it) of the building on the Property, including exterior facade redevelopment project architectural expenses, in a sum of not less than the amount received under this loan, and such lien waivers as the CDA or its legal counsel may deem appropriate.

8. Owner agrees that it will not discriminate against any contractor, employee or applicant for employment, nor any tenant or purchaser of all or any portion of the Property, because of age, race, color, national origin, religion, sex, sexual orientation, developmental disability as

defined in Section 51.05(5) of the Wisconsin Statutes, physical condition or handicap with respect to the ownership, redevelopment, improvement or leasing of the Property with respect to which this facade loan is being made by the CDA to Owner.

9. Closing of this facade loan transaction shall occur at the place designated by the CDA on or before April 30, 2022, or on such other date or at such other place as may be mutually agreed upon between the CDA and Owner.

10. No amendment, modification, termination or waiver of any provision of this Agreement, nor consent to any departure from this Agreement, shall in any way be effective unless the same shall be in writing and signed by the duly-authorized officer or officers or representatives of each of the parties to this Agreement.

11. The validity, construction and enforcement of this Agreement and the documents and agreements anticipated hereby shall be governed by the laws of the State of Wisconsin. The terms and provisions of this Agreement and the documents attached hereto as Exhibits shall not be more strictly construed against one party than against the other merely by virtue of the fact that this Agreement or such document has been prepared by legal counsel for one of the parties, it being recognized that both the CDA and Owner and their respective legal counsel have contributed, and/or have had the opportunity to contribute substantially and materially to the preparation and content of this Agreement and the documents attached hereto as Exhibits.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly-authorized officers and/or representatives on the date set forth below.

Executed on the dates set forth below, effective as of April 11, 2022.

April 11, 2022

COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF WHITEWATER, WISCONSIN

By: _____
Cathy Anderson, Executive Director

And By: _____
Patrick Singer, Chair

April 11, 2022

BOWER'S HOUSE LLC

By: _____
Gregory Aprahamian, Member

EXHIBIT LISTING

- EXHIBIT A Façade Loan Promissory Notes
- EXHIBIT B Real Estate Mortgage
- EXHIBIT C Personal Guaranty



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Memo re Site Analysis of CDA-owned Jefferson St Property
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

As board members may be aware, the CDA currently owns three properties, located at the corner of E Main St and N Jefferson St (“the Jefferson Street property”). The parcel IDs for these properties are: /BIRW 00003A, /BIRW 00002, and /BIRW 00001. The most recently obtained property was acquired as part of a property swap with Tanis Properties.

Staff recently requested that Redevelopment Resources, a firm familiar with downtown redevelopment projects throughout Wisconsin, which has also done other analysis work for the City of Whitewater evaluate the site, current market conditions, and the site’s future highest and best use.

Redevelopment Resources produced an evaluation report which is included in the meeting packet. Kristen Fish-Peterson from Redevelopment Resources is also attending this meeting to present their findings and recommendations.

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

- The CDA board approved awarding a contract to HM Brandt for demolition of the former “Wrap & Ship” property at the February 19, 2026 regular board meeting

FINANCIAL IMPACT
(If none, state N/A)

- Redevelopment of these currently tax-exempt properties would be an economic benefit to the city and other taxing jurisdictions

STAFF RECOMMENDATION

- Staff has reviewed and agree with the general findings in the Site Analysis. Staff recommend that the CDA board approve publication of a Request for Proposal to developers for proposals to redevelop the site. The CDA board should also instruct staff to move forward with a request to vacate the unused public right-of-way in the middle of same properties.

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

- Redevelopment Resources’ Site Analysis
- Jefferson St Property site map



WHITEWATER, WI

SITE ANALYSIS:

104-116 E. Main St. & 126 N. Jefferson St.



Introduction

When considering a subject site for potential redevelopment there are several facets to consider:

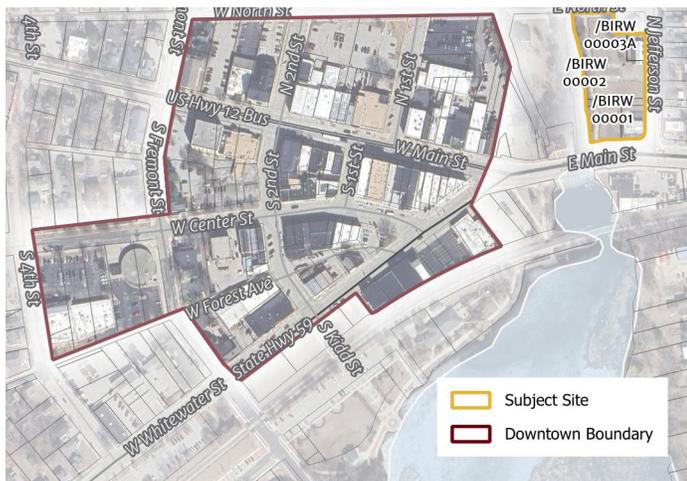
- Location and access
- Lot and building size
- Site constraints, amenities, and historical context
- Existing market conditions and trends

Communities need to know the business case for redevelopment and new uses. Whitewater is taking such an approach with the site the northwest intersection of N. Jefferson St. and Main St. The Community Development Authority of the City of Whitewater controls the subject site and has undertaken this process to assess its redevelopment potential.

Subject Site

The subject site is located at the northwest intersection of Main Street and Jefferson Street. The three parcels (BIRW 00001, BIRW 00002, BIRW 00003A) combined create a 1.4-acre site bounded by Whitewater Creek to the west, East North Street to the north, Jefferson to the east, and Main Street to the south.

South of the site, across Main Street, are three commercial buildings that contain one ice cream shop and two automotive repair facilities. East of the site, across Jefferson Street, is a commercial building on the corner of Jefferson and Main and residential homes north towards East North Street. There is one residential home on the southwest corner of East North Street and Jefferson Street which is immediately north of the subject site. North of East North Street is a residential neighborhood and a couple of parks. In summary, this property is between existing commercial and residential uses, so its future use should be compatible with both.



Parcel BIRW 00001, in the southeast corner of the site, has an approximately 2,000 square-foot commercial building with two curb cuts, one on Jefferson Street and one on Main Street. The age of the building is unknown, but the exterior appears to have been recently refreshed.

Parcel BIRW 00003A, in the northeast corner of the site. There are also two curb cuts for this parcel, both on Jefferson Street, one on the north side and one on the south side.

The site is zoned B-2 Central Business District with the intent to “accommodate retail, service, office, community, and support residential uses for citywide and regional benefit, and to advance the city’s downtown revitalization objectives as expressed in adopted city plans.” A full list of permitted uses, permitted accessory uses, and conditional uses is available in the appendix.

There is a trail connection on the west side of the site that follows the Whitewater Creek and connects to a series of local parks and amenities, including:

- Cravath Lake
- Mill Race Park
- Brewery Hill Park
- Whitewater Rotary Skate Park
- Ray Trost Nature Preserve
- University of Wisconsin–Whitewater
- Downtown Whitewater

Parcel BIRW 00001 was owned by Frawley Oil Company from 1974 to 2014. In the early '90s, soil contamination occurred. The site received Petroleum Environmental Cleanup Funds to remediate the site and the Wisconsin Department of Natural Resources closed the file in 1996 and there are no continuing obligations.

Current Market Trends

This site analysis reviews existing conditions in the community and considers future uses for property such as residential, hotel, office, retail, medical, and recreational/entertainment uses.

Downtown Whitewater Foot Traffic Trends

According to Placer.ai, nearly 147,000 unique visitors made four to five trips to Downtown Whitewater in 2025. This is a 3% increase in visits since 2022 (Table 1).

Of visits to the area that last longer than 10 minutes by visitors, most are more than 2.5 hours in duration (Figure 1). This suggests that there are a number of points of interest in the area to occupy more than 2.5 hours of a visitor’s time. Generally, visitors are willing to drive ¼ of the time they anticipate spending in a location. In other words, if they anticipate spending an hour, they are willing to travel 15 min. to get there. It could therefore be assumed that visitors to Downtown Whitewater are traveling approximately 38 min.

Table 1. Downtown Whitewater Visitor Trends Metrics

Visits	673,128
Visitors	146,878
Visit Frequency	4.58
Panel Visits	64,510
Visits YoY	0.70%
Visits Yo2Y	2.60%
Visits Yo3Y	3.00%

Data Source: Placer.ai. Data Notes: Area of analysis is a 750 foot radius from 150 W. Main St., Whitewater, WI, 53190 from Jan. 1, 2025 - Dec. 31, 20205.

Placer.ai is a location analytics provider that analyzes locations or geographic areas by audience type (residents, employees, visitors).

Definitions:

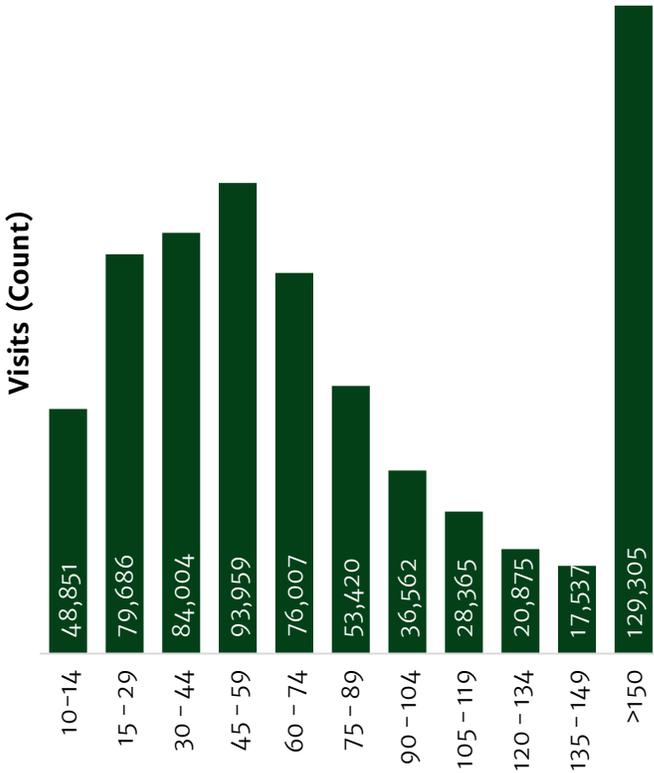
Visits

A visit is counted whenever a panel device (representing a person) visits a POI. However, only one visit is counted per day, per device, even if the same person visits the location multiple times in a single day.

Visitors

A visitor is identified as a unique device ID, representing a single person. While “Visits” count the total number of times a location is visited, “Visitors” count the number of unique individuals, regardless of how many times they visit. For example, if a person visits a grocery store once a week for a year, they are counted as one visitor but generate 52 visits. Each unique visitor is counted only once per day, even if they visit multiple times in a single day.

Figure 1. Visit Duration Trends

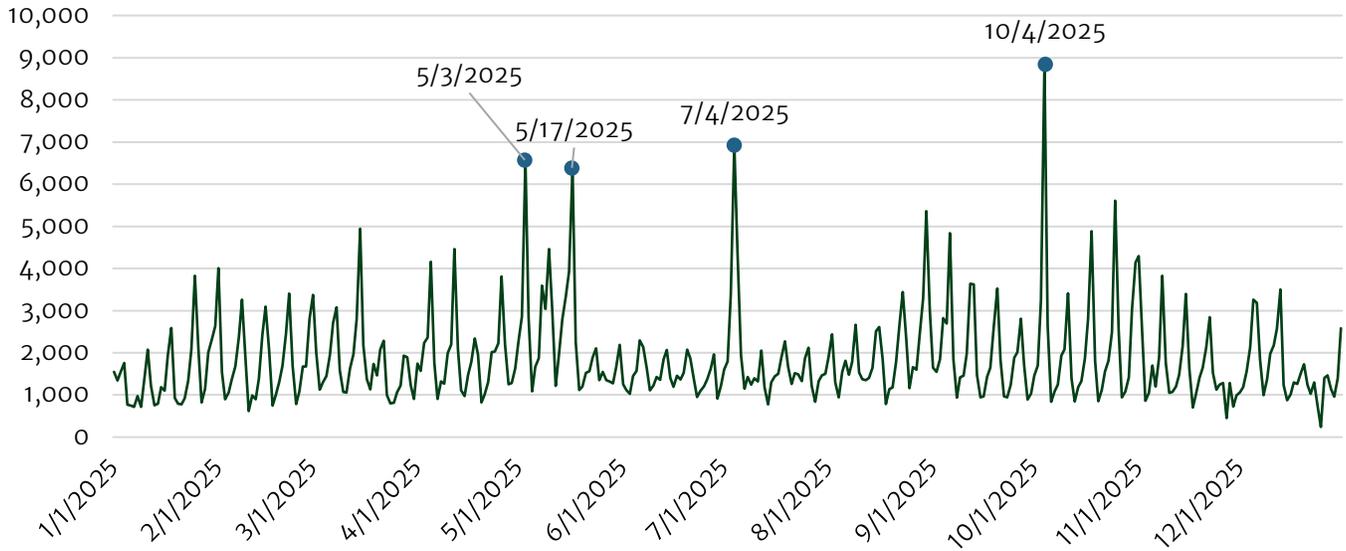


Data Source: Placer.ai. Data Notes: Area of analysis is a 750-foot radius from 150 W. Main St., Whitewater, WI, 53190, from Jan. 1, 2025 - Dec. 31, 20205.

Foot traffic to Downtown Whitewater is consistent throughout the year with higher volumes on Saturdays and special events, particularly during UW-Whitewater graduation, Independence Day, and Pride Events.

Weekend foot traffic does diminish during the summer months, likely due to a decreased student population and households on vacation (Figure 2).

Figure 2. Visit Count (2025)



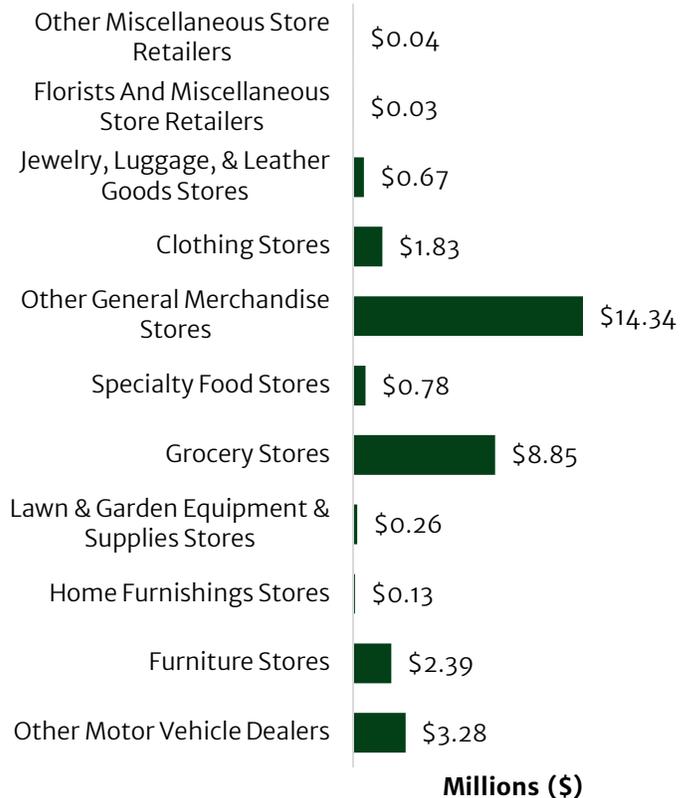
Data Source: Placer.ai. Data Notes: Area of analysis is a 750 foot radius from 150 W. Main St., Whitewater, WI, 53190 from Jan. 1, 2025 - Dec. 31, 2025.

Redevelopment Potential

Commercial Uses

Using Placer.ai to measure retail supply and consumer demand in the City of Whitewater, the category with the largest unmet need is Other Generalized Merchandise Stores (Figure 3). Stores in this category sell a mixture of goods (e.g., convenience items, grocery items, household products, and seasonal items), but do not fall into one particular category. Grocery, and clothing stores, also show significant opportunities for a new business to capture market share.

Figure 3. City of Whitewater Unmet Demand



Data Source: Placer.ai. STI: Market Outlook from 01/01/2025 to 12/31/2025 benchmarked to nation.



Figure 4 identifies categories in which there is a surplus supply in the city. Full-service and limited-service restaurants are the two largest categories. Therefore, if the subject site were to include a dining option, the restaurant

will need to be mindful of the competitive landscape strategically position itself to capture a larger share of existing market demand, in addition to attracting new customers.

Figure 4. City of Whitewater Surplus Supply



Data Source: Placer.ai. STI: Market Outlook from 01/01/2025 to 12/31/2025 benchmarked to nation.

Residential

The 2024 Rental Market Study indicated that Whitewater needs 175 rental units constructed annually. This is more than double the annual average of new construction multi-family development from 2000 to 2023. In light of this demand, the subject site would be a good location for a mixed-use building.

Recommendation

In summary, the subject site is located between residential and commercial (mostly service) uses. It could serve a proper buffer between the active uses on Main Street and the single-family residential uses off Main Street.

RESIDENTIAL ABSORPTION POTENTIALS BY PRODUCT TYPE -- WHITEWATER MARKET AREA -- 2023 - 2028

Product Type	Annual	Total Through 2028
Total	400	2,000
For Sale	225	1,125
Single Family Detached	150	750
Townhome/Duplex/Condominium	75	375
For Rent	175	875

Source: Tracy Cross & Associates, Inc.

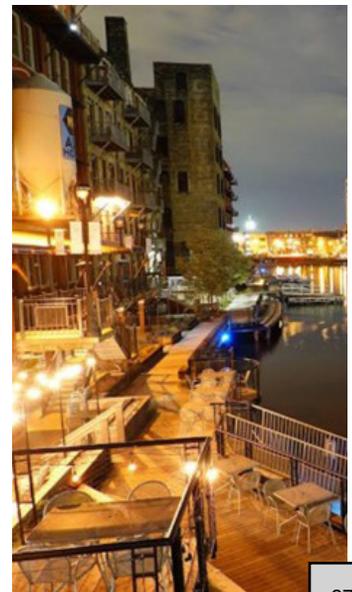
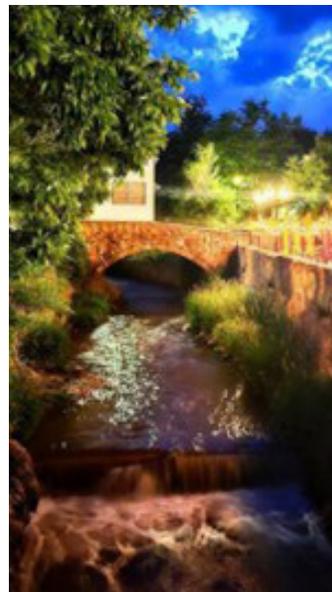
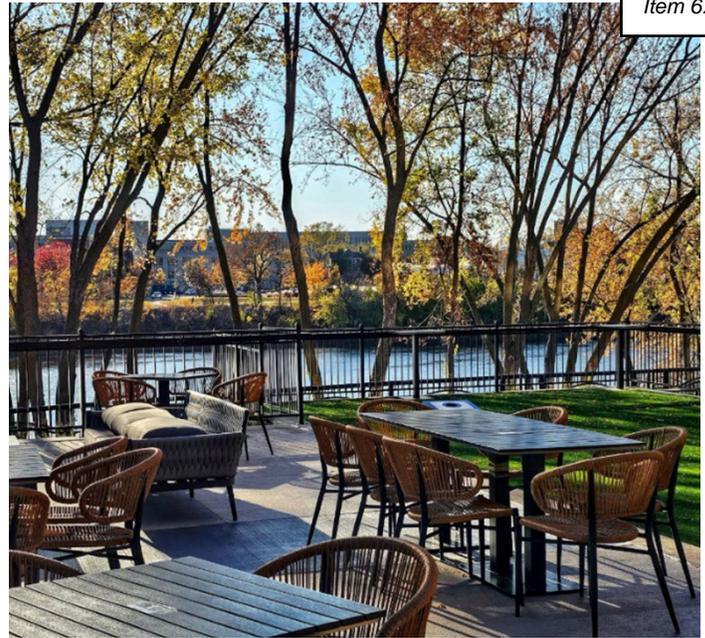
Also, with demand for grocery and general merchandise, businesses serving convenience retail uses would be appropriate (versus destination retail uses). The available data does not provide information on personal services such as outpatient medical, dental, personal hygiene (nail, hair, waxing salons, etc.), counseling offices, or other physical or mental health services but these would be solid commercial uses for ground floor commercial space as well.

Understanding that high density rental residential units (apartments) could be developed elsewhere, this site could serve a sole commercial purpose such as a Dollar Store. However, this real estate is valuable and should be developed with a moderate amount of density to maximize not only the audiences and uses served, but also the property tax value potential.

Given the site's proximity to the downtown, access to the trail system, and residential demand, a mixed-use, multi-story building with first-floor commercial and up to three stories of residential units is recommended. These may be market-rate rental units or owner-occupied condos. This will support the demand for residential units identified in the housing study and provide more residential density to support downtown businesses.

According to market data, first-floor retail could host commercial space for a boutique general merchandise or grocery store, pet store, floral shop, specialty food store, and/or a boutique clothing store that offers jewelry, handbags and leather goods. Medical office would also be an appropriate use, as those users typically pay a higher market rental rate and would provide a good tenant base for the developer.

The structure should embrace the natural features adjacent to the site. For example, the image in the upper right is from 402 Graham Ave in Eau Claire, WI, looking out over the Chippewa River. The second image is also in Eau Claire looking at Haymarket Landing as viewed from Chippewa River State Trail. The image on the lower left is of a bridge connecting a residential neighborhood with a commercial district in Manitou Springs, CO (934 Manitou Ave). Finally, the lower right image is of a mixed-use building overlooking the Milwaukee River in Milwaukee, WI (249 N Water St).





SITE ANALYSIS:
104-116 E. Main St. & 126 N. Jefferson St.



Item 6.



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	/TR 00010 and /TR 00012
Staff Contact (name, email, phone):	Llana Dostie, Zoning Specialist

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

During staff’s review of park parcels in preparation for rezoning, it was identified that two parcels previously believed to be part of Cravath Lakefront Park are, in fact, owned by the Community Development Authority (CDA). The CDA purchased these parcels in August of 1999. These parcels are currently utilized for the placement of carnival rides and vendor operations during the 4th of July Festival.

To ensure the long-term preservation of Cravath Lakefront Park and to maintain consistency in ownership of parkland, staff recommends that the CDA convey these parcels to the City of Whitewater via quit claim deed. A title company will be drawing up the quit claim deed, with CDA approval.

This action would formally place the parcels under City ownership and align their use with the intended purpose of the park.

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

N/A

FINANCIAL IMPACT
(If none, state N/A)

With CDA no longer owning the parcels this would remove any future maintenance or liability obligations on the properties.

STAFF RECOMMENDATION

To ensure the long-term preservation of Cravath Lakefront Park and to maintain consistency in ownership of parkland, staff recommends that the CDA convey these parcels to the City of Whitewater via quit claim deed.

This action would formally place the parcels under City ownership and align their use with the intended purpose of the park.

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

- Site map

CDA owned W Whitewater St parcels

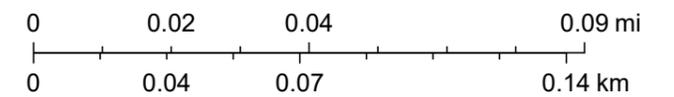


2/11/2026, 11:12:58 AM

Imagery 2024 (Walworth Server)

- Red: Band_1
- Green: Band_2
- Blue: Band_3

1:2,517



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, SE Wisc Reg Planning Comm, SEWRPC, Microsoft, Vantor



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Down Payment Assistance Loan Application-- 119 S. Fourth St / Loan No. 2026-014
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

One application was submitted to the CDA requesting a down-payment assistance loan in the amount of \$25,000 pursuant to the terms and conditions of the City’s Affordable Housing Fund Policy (DPA Application No. 2026-012).

- Purchase of a single-family residence located at 119 S. Fourth St, at a purchase price of \$270,000 with an anticipated closing date of March 31, 2026. The borrowers are contributing a payment of \$117,516 and will be living in the home as their primary residence. Fort Community Credit Union, Inc is the primary lender offering a standard fixed-rate mortgage loan in the principal amount of \$135,000 with a 360-month term.

All documentation required to support the requested loan has been received and reviewed by City Staff.

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

N/A

FINANCIAL IMPACT
(If none, state N/A)

The \$25,000 for the Down Payment Assistance loans will utilize monies already on hand from the city’s Affordable Housing Extension fund.

STAFF RECOMMENDATION

Staff recommends approval of Down Payment Assistance Loan No. 2026-014.

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

- Offer to Purchase
- Promissory Note in the sum of \$25,000 to be executed at closing.
- Mortgage and Subordination Agreement to be executed at closing and recorded in the Walworth County Register of Deeds Office.



DOWN PAYMENT ASSISTANCE LOAN PROGRAM

APPLICATION FORM

(Maximum lock period is 90 days. Please call if an extension is needed.)

This form should be completed, signed and sent via EMAIL to mbecker@whitewater-wi.gov

LENDER INFORMATION

Lender Name FORT COMMUNITY CREDIT UNION

Address 800 MADISON AVE City, State, Zip FORT ATKINSON WI 53538

Telephone Number (920) 563-7305 FAX Number (920) 563-0327

Loan Officer ANDRES MORALES Email Address AMORALES@FORTCOMMUNITY.COM

BORROWER INFORMATION

Borrower's Name(s) MARCO BARAJAS & JUANA BARAJAS

Borrower's Current Address 885 S JANESVILLE ST APT 202 City, State, Zip WHITEWATER WI 53190

Borrower's Telephone Number (home) (920) 397-6410 Borrower's email marcobww@gmail.com

Household Size 1 Are there children under 6 or pregnant women in household? Yes No

Household Members (including all Borrowers): (use separate sheet for additional)

1.	Name <u>MARCO BARAJAS</u>	Age <u>33</u>	Annual Income \$ <u>42,640.08</u>
2.	Name <u>JUANA BARAJAS (COSIGNER)</u>	Age <u>52</u>	Annual Income \$ <u>51,969.00</u>
3.	Name _____	Age _____	Annual Income \$ _____
4.	Name _____	Age _____	Annual Income \$ _____

Total Estimated Annual Household Income \$ 94,609.08 First-time Home Buyer? Yes No

Is Borrower interested in applying for additional funds for rehab of home? Yes No

PROPERTY INFORMATION

Property Address 119 S 4TH ST

City WHITEWATER State Wisconsin Zip WI County WALWORTH

Listing Agent's Name JON MARSHALL Listing Agent's Telephone Number (262) 366-8443

Listing Agent's email JONMARSHALL@HOTMAIL.COM Number of Bedrooms 3 Year house was built 1860

Purchase Price \$ 270,000.00 Amount of Subsidy Requested (maximum is \$25,000) \$ 25,000.00

Anticipated Closing Date 03/31/2026 Is the property currently occupied by renters? Yes No

LOAN INFORMATION

First Mortgage Amount \$ 135,000.00 Estimated Closing Costs \$ 8,516.00

Borrower Contribution toward purchase \$ 117,516.00 Other Down Payment Assistance \$ 0.00

Housing Debt-to-Income Ratio 20.170% Total Debt-To-Income Ratio 20.170%

I certify that the above borrower(s) annual household income is equal to, or less than, 150% of the county median income, adjusted by household size, as indicated by the HUD Annual Income Limits, and this household is qualified to receive the direct subsidy under the Whitewater Down Payment Assistance guidelines. In addition, I agree to provide all the documents required by the City's Down Payment Assistance Program following the closing.

ANDRES MORALES
Name of Authorized Officer

Signature of Authorized Officer

MORTGAGE LOAN OFFICER
Title of Authorized Officer
03/10/2026
Date

PROMISSORY NOTE

\$ 25, 0000

Date: _____, 202__

The undersigned, Marco Barajas & Juana Barajas ("Maker"), hereby jointly and severally promise to pay to the order of the Community Development Authority of the City of Whitewater ("Payee") at 119 S. Fourth St, Whitewater 53190, or at such other place as Payee may from time to time designate in writing, the sum of Twenty-Five Thousand and no/100 Dollars (\$25,000).

This Promissory Note ("Note") bears no interest on the unpaid balance before maturity. All unpaid principal outstanding under this Note shall be due and payable on the earlier of (i) Maker's transfer, sale, leasing, or conveyance of the Property (as defined in Exhibit A, incorporated herein by reference) or (ii) the time at which the Property is no longer the Maker's primary residence (the "Maturity Date"). The funds loaned to Maker by Payee pursuant to this Note shall be used solely for the purchase of the real property commonly known as 119 S. Fourth St, City of Whitewater, Walworth County, Wisconsin and legally described on Exhibit A attached hereto and incorporated herein (the "Property").

If payment is not made on or before the Maturity Date, or Payee violates any term, condition or provision of this Note or the Mortgage (defined below), Maker shall be in default and Payee may give Maker written notice thereof. If Maker fails to cure said default within ten (10) days of the date of such notice, the unpaid balance shall, at the option of Payee and without further notice, mature and become immediately payable. The unpaid balance shall automatically mature and become immediately payable in the event Maker becomes the subject of bankruptcy or other insolvency proceedings. Payee's receipt of any payment under this Note after the occurrence of an event of default shall not constitute a waiver of the default or the Payee's rights and remedies upon such default. Principal not paid when due shall bear interest after the Maturity Date at the then current Applicable Federal Rate for long term notes, compounding annually, set forth under IRC Sec. 7520 from time to time.

Without affecting the liability of Maker, Payee may, without notice, renew or extend the time for payment, accept partial payments, release or impair any collateral security for the payment of this Note or agree not to sue any party liable on it.

Maker agrees to pay all costs of collection, including reasonable attorneys' fees incurred by Payee in enforcing this Note. Maker hereby waives presentment, protest, demand and notice of dishonor. Maker may at any time and from time to time prepay all or any part of the unpaid principal of this Note, without penalty.

This Note is secured by a second Mortgage on the Property of even date herewith executed by Maker ("Mortgage"). Payee agrees that this Note is subordinate to Maker's obligations to Provisor Inc., in connection with Loan Number _____ secured by a first mortgage lien on the Property. Upon payment in full of this Note, Payee shall promptly release the collateral security.

This Note shall be governed by and construed in accordance with the laws of the State of Wisconsin.

_____, Mortgagor

_____, Mortgagor

EXHIBIT A

Legal Description of Property

STRIP OF LAND OFF S END OF LOTS 4 & 5 BLK 6 - COM SW COR LOT 5, N12D46'E 93.80', S77D19'E 72.25', S12D48'W 83.38', N85D12'W 72.95' TO POB. ORIGINAL TOWN CITY OF WHITEWATER

Tax Identification No.: /OT 00052

DRAFT

MORTGAGE, RETENTION AND SUBORDINATION AGREEMENT

Date: _____

Mortgage Amount: Twenty-Five Thousand and no/100 Dollars (\$25,000).

Mortgagor: Marco Barajas and Juana Barajas

Mortgagee: Community Development Authority of the City of Whitewater

Marco Barajas and Juana Barajas (“Mortgagor,” whether one or more) mortgages to Community Development Authority of the City of Whitewater (“Mortgagee”), to secure payment of Twenty-Five Thousand and no/100 dollars (\$25,000.00) evidenced by a note or notes bearing an even date executed by Mortgagor to Mortgagee, and any extensions and renewals and modifications of the note(s) and refinancings of any such indebtedness on any terms whatsoever (including increases in interest) and the payment of all other sums, with interest, advanced to protect the security of this Mortgage, the following parcel of land, together with all rents, profits, improvements fixtures, and other appurtenant interests thereon (all called “Property”), in Walworth County, State of Wisconsin:

See attached Exhibit A.

RETURN TO:

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

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.

/OT 00052
(Parcel Identification Number)

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

This is homestead property.

This is a Purchase Money Mortgage

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 Fort Community Credit Union (“Lender”), which loan is secured by a first mortgage lien on the Property. Accordingly, Mortgagor covenants and agrees:

Mortgagor covenants and agrees as follows:

1. **Covenant of Title.** Mortgagor warrants title to the Property, except restrictions and easements of record, if any and except for a first mortgage lien on the property from mortgagor to Fort Community Credit Union.
2. **Taxes.** Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagor’s interest in it and to deliver to Mortgagee on demand receipts showing such payments.
3. **Insurance.** Mortgagor shall keep the improvements on the Property insured against any loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, through insurers approved by Mortgagee in such amounts as Mortgagee shall require, but Mortgagee shall not require coverage in an amount more than the balance of the debt without co-insurance, and Mortgagor shall pay the premiums when due. The policies shall contain the standard mortgage clause in favor of the Mortgagee and, unless Mortgagee otherwise agrees in writing, the original of all policies covering the Property shall be deposited with Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided the Mortgagee deems the restoration or repair to be economically feasible.
4. **OTHER COVENANTS.** Mortgagor covenants not to commit waste or suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from liens superior to the lien of this Mortgage, and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.
5. **Defense of Security.** Mortgagor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, and shall pay all costs and expenses, including the cost of evidence of title and attorneys’ fees, in any such action or proceeding in which Mortgagee may appear.
6. Except as expressly set forth in Section 6, Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness due under the Promissory Note secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, upon any transfer, sale or conveyance made in violation of this Section 5. A violation of the provisions of this Section 5 will be considered a default under the terms of this Mortgage and the Promissory Note it secures.

7. If Mortgagor refinances the First Mortgage on 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.
8. To further secure the payment and performance of the Promissory Note, Mortgagor hereby grants to Mortgagee a security interest in all fixtures and personal property located on or related to the operations of the Property whether now owned or hereafter acquired. This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) Mortgagor shall be deemed the “debtor”; (2) Mortgagee shall be deemed to be the “secured party” and shall have all of the right of a secured party under the Uniform Commercial Code; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the debtor; (5) the legal name and address of the debtor are: Marco Barajas and Juana Barajas, 119 S. Fourth St., Whitewater, WI 53190. The address of the secured party is: 312 West Whitewater Street, Whitewater, WI.
9. 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. Any individual Mortgagor who is married represents that the obligation evidenced by this instrument was incurred in the interest of Mortgagor’s marriage or family. The covenants of this Mortgage set forth herein shall be deemed joint and several among the Mortgagors.
10. Events of Default. Each of the following shall constitute an event of default under this Mortgage:
 - a. Failure to pay the indebtedness secured by this Mortgage when due;
 - b. Failure to perform any obligation contained in this Mortgage;
 - c. Any breach of any warranty or material misrepresentation made by Mortgagor in connection with this Mortgage or the Note;
 - d. The occurrence of a default under the Primary Mortgage; or
 - e. The transfer, sale, leasing, or conveyance of the Property, or any interest therein, within ten (10) years from the date of the Note.
11. In the event of default under the terms of this Mortgage, Mortgagee may, at its option, declare the whole amount of the unpaid principal due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy at law or equity. A default under the First Mortgage constitutes a default under this Mortgage. In case of default, all costs and expenses, including but not limited to, reasonable attorney fees, to

COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF WHITEWATER, Mortgagee

By: _____(SEAL)
Mason Becker, Executive Director

STATE OF WISCONSIN)
) SS
_____ COUNTY)

Personally came before me this _____ day of March, 2026, the above named Mason Becker, Executive Director of the Community Development Authority of the City of Whitewater, to me known to be the person who executed the foregoing instrument and acknowledged the same.

_____, Notary Public

County, Wisconsin
My commission expires: _____

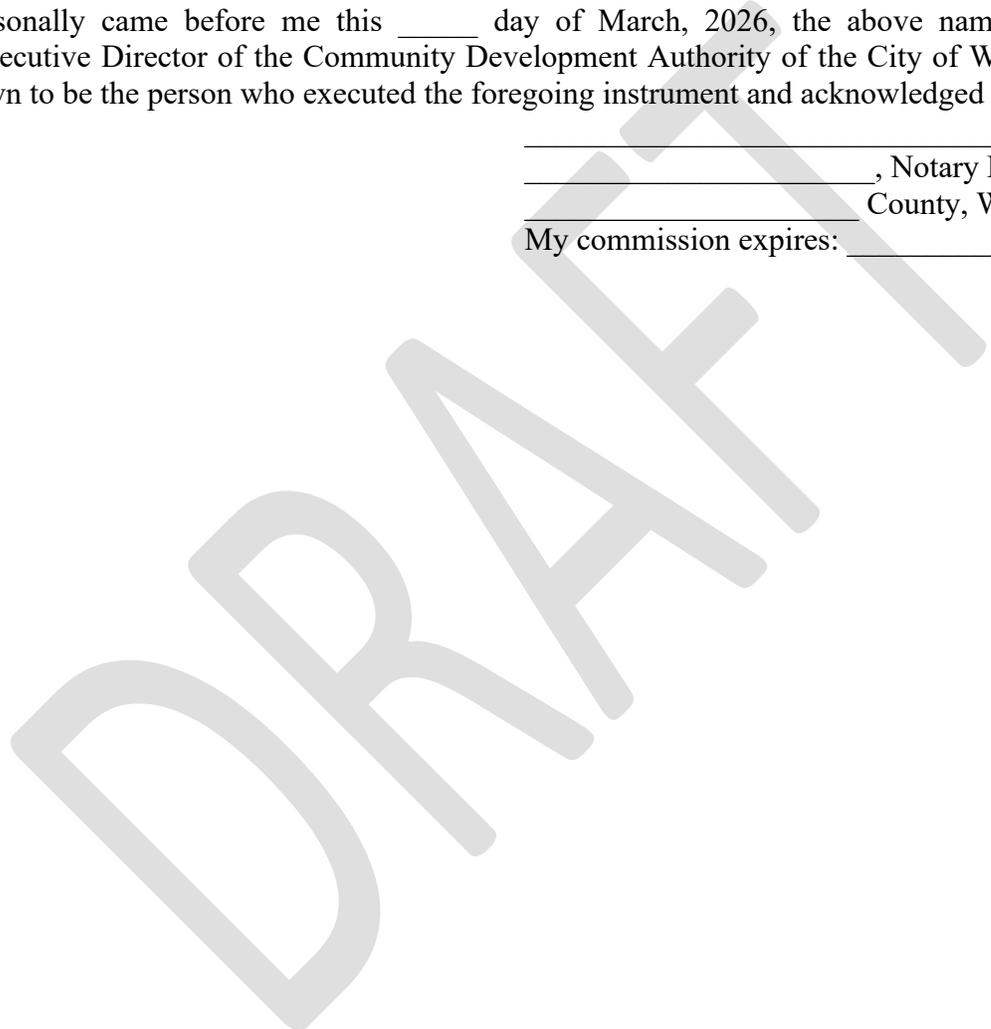


EXHIBIT A

Legal Description of Property

STRIP OF LAND OFF S END OF LOTS 4 & 5 BLK 6 - COM SW COR LOT 5, N12D46'E 93.80', S77D19'E 72.25', S12D48'W 83.38', N85D12'W 72.95' TO POB. ORIGINAL TOWN CITY OF WHITEWATER

Address: 119 S Fourth St

Tax Identification No.: /OT 00052

DRAFT



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Memo re: Update on Hale Farm Proposed Development Project
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

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

As CDA board members may recall, the city had been in discussions with Bielinski, a Wisconsin based housing developer, about a residential development concept called Hale Farm. This development was proposed to be located on parcel /WUP 00332 on the city’s far west side, near the Highway 12 bypass. The developer had the property under contract with the property owner. The proposed development would have created 99 small-lot single-family parcels.

Bielinski presented their site plan for an initial concept review at the Plan & Architectural Review Commission meeting in September 2025. Staff worked over the next several months with Bielinski on next steps in the process, including what possible TIF assistance might look like to enable the project to move forward.

Unfortunately, Bielinski informed the city in late January 2026 that they were stepping away from consideration of this development project. They cited other development priorities, and shared they are not focusing on small-lot type projects like their proposed Hale Farm plan right now.

The Community Development Director has had conversations with the property owners, who confirmed they are still open to selling the property for development.

Given the site will have some significant infrastructure costs to enable development, it is likely that any housing developer will need some level of TIF assistance. While amending existing Tax Increment District (TID) #14 could be an option (and one the property owners inquired about), city staff are also monitoring proposed legislation at the state level, which would allow creation of Residential TIDs (Assembly Bill 451/State Senate Bill 480). City staff have communicated with the property owners that should this legislation pass, their property may be a good candidate for such a new TID.

The following is an excerpt from a Wisconsin Economic Development Association (WEDA) Legislative Update that was released about this proposed legislation on February 16, 2026:

- **[AB 451](#) / [SB 480](#)** (Residential TID Bill) – *This legislation that will create a 100% Residential Tax Increment District (TID) in Wisconsin. Under the bill, municipalities would be able to use the new “Housing” TID to finance residential infrastructure for owner-occupied housing (single-family and duplex) development. This bill exempts Housing TIDs from the current law 12% TIF equalized value limit. Instead, the total value of all Housing TIDs in a municipality would be capped at 3% of the municipality’s equalized property value, allowing communities to address housing needs without crowding out traditional economic development TIDs.*
 - **Status:** *This legislation passed the Assembly on a 88-7 vote and the Senate on a 30-3 vote. The bill was amended by the Senate and sent back to the Assembly for concurrence.*

City staff continue to prioritize possible new opportunities to add owner-occupied single-family housing stock within the City of Whitewater. We will continue working to attract other developers to Whitewater and are also having continued discussions regarding other potential development sites within the community.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- September 8, 2025 PARC meeting, an initial concept review for the project was held. No formal action was taken.
- September 18, 2025 CDA board meeting, an update memo was shared on the status of the development project.

FINANCIAL IMPACT

(If none, state N/A)

- N/A

STAFF RECOMMENDATION

- Staff will continue to explore options for additional single-family housing development within the city. Progress on the state legislature’s proposed Residential TID bill is also being monitored. No formal action is needed at this time.

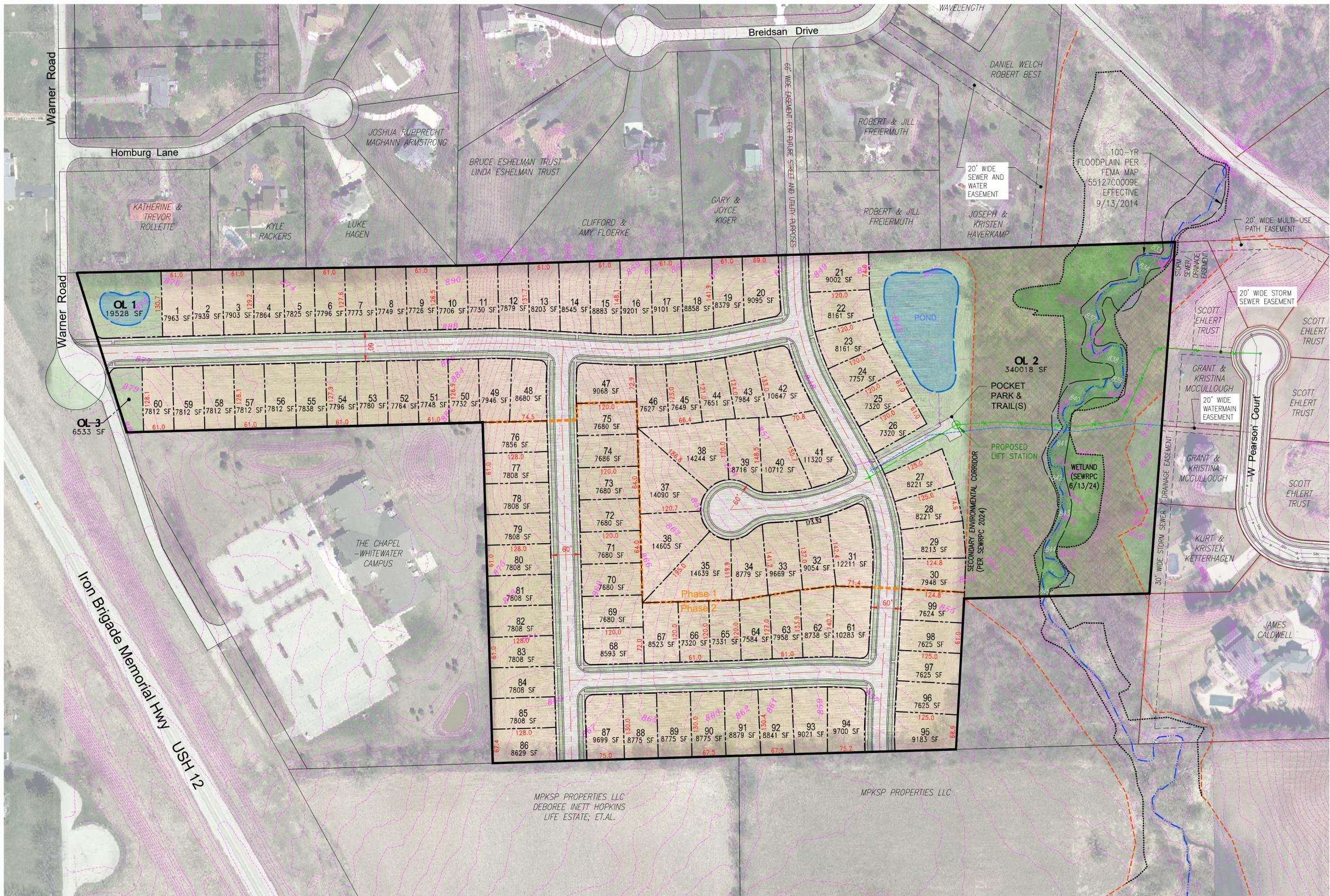
ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Previous site concept plan from Bielinski



4100 N. CALHOUN RD
BROOKFIELD, WI 53005
t: (262) 790-1480
e: info@trioeng.com
www.trioeng.com



SITE DATA TABLE

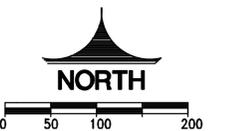
- Total Area 33.51 ac
- Wetland Area - 1.72 ac
- Floodplain - 0.08 ac
- Sub-total - 1.80 ac
- Upland SEC - 3.95 ac
- Sub-total - 5.75 ac
- Development Area 27.76 ac
- Proposed R-1S zoning
 - 99 lot Single-family Subdivision
 - Density = 99 / 33.51 = 2.95 un/ac
- Outlot Open space = 8.4 ac (25% of site)
- Total Road Length = 4,570 lf (46.16 lf/lot)
- Proposed Public Infrastructure:
 - Lift Station, 700' of forcemain & 585' of watermain

Proposed Zoning - R-1S
One-family Residence District - Small Lots

- Minimum Lot Area = 6,000 sf
- Minimum Lot Width = 60'
- Min. Corner Lot = 66'
- Minimum Lot Depth = 100'
- Minimum Yard / Setbacks:
 - Front = 20' minimum 25' maximum
 - Side = 6'
 - Rear = 20'
 - Shoreland = 75'
 - Lot Frontage = 30'
 - Porch Setback = 12'
 - Street Side Setback on a corner lot = 10'
 - Pavement from lot line = 5'
- Max lot coverage = 50%
- Max impervious = 70%
- Min greenspace = 30%

Storm Water Management
City of Whitewater requirements:

- 80% TSS removal
- Peak discharge rates shall be reduced to pre-development conditions for 2-yr thru 100-yr events
- Infiltrate stormwater to reduce the runoff volume where applicable & appropriate



Scale: 1" = 100' (22"x34")
Scale: 1" = 200' (11"x17")

DATE: 8/5/2025

SITE PLAN

HALE FARM SUBDIVISION

WHITEWATER, WI



X:\2025\25-32-965 note form - whitewater\drawings\concepts\site plan_2025-08-04.dwg



Community Development Authority

Meeting Date:	March 19, 2026
Agenda Item:	Memo on Capital Catalyst and Action Fund program accounts
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov , 262.443.4458

BACKGROUND

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

The Community Development Department is undertaking a review of the City’s loan and grant programs. A revised Capital Catalyst Loan Fund program is included in your packet. Proposed revisions streamline and modernize the program and remove older language that is no longer relevant to the program (such as WEDC reporting requirements).

City staff is also recommending that the name of this Fund be changed to “Loan Fund” and its balance be moved from Associated Bank to First Citizens Bank where the other accounts are held. Additionally, the name of the Action Fund should be changed to “Grant Fund”.

In addition to these proposed revisions, staff are also recommending that the fund balances for the Loan Fund (aka Capital Catalyst) and Grant Fund (aka Action Fund) essentially be swapped. This was on advice of the city’s Finance Comptroller. This will allow for the larger fund balance to be utilized towards loans, while the smaller fund balance could be allocated to potential grants.

Current fund balances as of March 10, 2026 (please note these have not been reviewed by the Finance Department). Staff propose to swap the two bolded fund balances:

CDBG Housing \$8,835.77

Facade Loan \$49,940.62

Action Fund Biz Dev \$721,689.79

Action Fund Land Purchase \$0.00 (we had previously recommended moving all funds to Business Development account and CDA board approved)

Capital Catalyst \$141,678.12

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

FINANCIAL IMPACT

(If none, state N/A)

- No net financial impact, though having a larger fund balance available for loans could allow the CDA to earn interest on such loans, thus growing the fund long term

STAFF RECOMMENDATION

- Approve the proposed revisions to the Loan Fund Program.
- Approve exchanging the Capital Catalyst and Action Fund balances.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Revised Capital Catalyst Fund Program

Whitewater Community Development Authority

Loan Fund

Policy Manual

Updated as of March 2026

SECTION 1. GENERAL PROVISIONS

1.1 Purpose

The purpose of the policies and procedures contained in this manual is to outline the nature and scope of the funds made available through the Community Development Authority of the City of Whitewater and to assist potential loan applicants seeking these low interest loan funds for their projects. The policy manual will be collectively referred to as the Loan Fund. The City, through the Community Development Authority, will make loans to stimulate investment in the City.

1.2 Program Objectives

The goal of the Program is to encourage the startup of new businesses and the expansion of existing businesses. The Fund will make low interest loans to new and existing businesses. Funds will be invested into businesses located in, or those that will locate within, the City of Whitewater.

Industry sectors of focus will include, but are not limited to: Advanced Manufacturing, Agriculture/Food Processing, Information Systems/Software, Medical Device, and Renewable/Green Energy.

The fund will not work with businesses whose primary market is direct to consumer purchase retail, real estate, or hospitality, including restaurants. Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.

Funds made available through the program are intended to perpetuate a positive and proactive business climate. Activities assisted with program funds must address one or more of the following:

- Encourage new private investment in the City of Whitewater.
- Support a diverse mix of employment opportunities and minimize seasonal or cyclical employment fluctuations.
- Encourage the development and use of modern technologies that increase productivity and efficiency.
- Support the elimination of blight and encourage urban redevelopment.

1.3 Amendments

The Whitewater CDA may from time to time amend the policies and procedures contained in this document.

1.4 Award of funds does not guarantee plan approvals

The award of a Loan Fund loan does not warrant or guarantee approval of the project by the City of Whitewater Common Council or the Whitewater Plan & Architectural Review Commission. The approval is only for the Loan Fund program.

SECTION 2. OVERSIGHT AND ADMINISTRATION

2.1 Loan Fund Administration

The Board of Directors of the City of Whitewater Community Development Authority (CDA) has designated the CDA Executive Director to serve as the Fund Administrator. The Executive Director may delegate such duties or any related tasks to the Economic Development Coordinator or another employee of the Community Development Department of the City of Whitewater.

The Fund Administrator explains the program to prospective applicants, provides written information, assists applicants in completing applications, and processes requests for financing. The Administrator, when necessary and appropriate, will counsel or guide applicants to other more appropriate technical or financial resources when the applicant has needs beyond those which may be met through this program.

The Fund Administrator will periodically review all financial statements and loan amortization schedules as well as review and approve documentation of business expenditures financed with the Loan Funds.

The Fund Administrator will maintain all records for the Loan Fund.

The City Attorney is responsible for creating all documents necessary to execute the loan and is involved as needed on any actions necessary to remedy deficiencies or defaults. The City Attorney may delegate these tasks to a third-party attorney or firm at their discretion.

2.2 Loan Review Committee Meetings

The Loan Review committee will comprise a portion of members from the CDA. All meetings for the committee will be held on an as needed basis. Pursuant to section 19.84, Wisconsin Statutes, all members will be given prior notice of each meeting. A majority of the Committee in attendance at a meeting will constitute a quorum which is required for official action. Official actions must have the support of a simple majority of the full membership of the Board.

As permitted in section 19.84, Wisconsin Statutes, the Board may adjourn into closed session to discuss matters. This must be duly noted on the meeting agenda.

2.3 Record Keeping

Written records of all program activities, including minutes of the meetings of the CDA Board at which action is taken with regard to the Loan Fund, applications, and all related documents, will be maintained in appropriate files. Files are to be maintained in a secure place with limited access only by authorized personnel. The CDA's legal counsel will be consulted regarding compliance with state and municipal open records laws.

1. A master file must be established for each application. The master file must include the following sub-files and contents (as appropriate):

- *Loan Application File.* This file contains all applications, business financial statements, personal financial statements, credit reports, business plan documents, and other supporting loan information submitted to the City including all applicable correspondence.
- *Loan Recommendation File.* This file contains a summary of the analysis, recommended actions for the application, and a copy of the minutes from the CDA meeting summarizing the action taken on the loan request.
- *Loan Closing File.* This file contains copies of all loan-closing documents. All legal documents from the loan closing, including security instruments, the note and other applicable correspondence. City's Attorney will be involved in helping create and complete this file to

ensure complete loan documentation. Copies of the loan closing documents and an amortization schedule will be provided to the loan recipient, along with an invoice, if applicable, for loan closing and servicing fees.

- *Monitoring File System.* A monitoring file system should be established and maintained to ensure that repayments, financial information, the applicant's agreement, UCC updates, and other time-sensitive documentation is tracked and obtained or updated as required.
2. **Site Visit.** Site visits should be conducted periodically to each loan recipient, the scheduling of which depends on the nature of the project. A summary of the site visits should be placed in the file, particularly highlighting any information that can help in rating the overall condition/risk of the applicant's progress.
 3. **Repayment Monitoring.** This file should include the loan amortization schedule, status of payments, and the outstanding balance of the loan. Observations suggesting concerns or problems should be reported to the CDA Board of Directors. Electronic automatic payments will be made from designated Borrower account to designated City account, on the date agreed upon and documented in the Loan Closing documentation. This function will be performed by the Finance Department.
 4. **Loan Review.** All projects are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the CDA. Items to review include: timeliness of payments; condition of collateral securing the loan and status of security documents (i.e. mortgages, UCC filings); overall financial condition of the business; the presence of material liens or lawsuits; and violations of loan covenants and suggested corrective actions as needed.

If the business is experiencing problems with any of the above criteria, the Fund Administrator is to work with the recipient to identify actions needed to correct the deficiencies, including possible restructuring of the agreement to protect the CDA's interest and meet the needs of the business. If appropriate, the Administrator will arrange for business assistance through available public or private resources. If the findings of the review suggest serious problems, particularly if the project is at risk of default, the account should be turned over to the CDA's attorney for legal action. Again, corrective actions may be achieved through restructuring or if necessary, foreclosure actions.

2.4 Administration

No administrative funds may be withdrawn from the Loan Fund Program to cover personnel costs and other administrative expenses.

2.5 Eligible Uses

Projects must be located within the City of Whitewater to be eligible for awards made through the Loan Fund Program.

Program loans shall generally provide gap financing for eligible projects that will result in investment within the City of Whitewater. Gap financing may be used for the following activities:

- Purchase/installation of equipment essential to business operations
- The acquisition of land, buildings, and fixed equipment.

2.6 Eligible Applicants

1. Applicants must be named as an owner, sole proprietor, chief executive officer or other officer authorized by the business to enter into contracts with the City of Whitewater on behalf of the business seeking assistance.
2. Eligible applicants will be representatives of legitimate for-profit businesses or proposed for-profit businesses (legitimate non-profit or proposed non-profit businesses or organizations meeting a program objective may also qualify), not engaging in the activities listed in section 3.4 of this document.
3. Applicants shall not be disqualified based on age, race, color, creed, religion, sex, national origin, ancestry, handicap, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., marital status, sexual orientation, or other form of discrimination prohibited by the laws of the State of Wisconsin or the United States of America. No member of the CDA Board of Directors, the, or any other official, employee, or agent who exercises decision-making functions or responsibilities in connection with the implementation of the program is eligible for financial assistance under this program.
4. No program awards will be made in conflict with Section 946.13 Wisconsin Statutes (Private Interest in Public Contract Prohibited).
5. Applicants with existing businesses will provide full financial information for three (3) years prior to the application date and financial projections for the next three (3) years. Applicants seeking assistance for proposed new businesses will provide personal financial information for three (3) years prior to the application date and financial projections for the next three (3) years.

2.7 Eligible Activities

Funding is available to applicants under the Loan Fund for the following activities:

1. Examples of target sectors of industry:
 - Advanced Manufacturing
 - Agriculture or Food Processing
 - Information Systems or Software
 - Medical Devices and Research
 - Biosciences
 - Renewable and Green Energy
2. Acquisition of land, buildings and fixed equipment;
3. Installation of fixed equipment;

2.8 Ineligible Activities

Program funding may not be used for the following activities:

1. Refinancing or consolidating of existing debt.
2. Specialized equipment that is not essential to the business operation.
3. Residential building construction or reconstruction (unless mixed use development/redevelopment with at least 75% business operation; or such reconstruction is intended to convert the building to a business or industrial operation).
4. Routine maintenance projects.
5. Professional services such as legal services, feasibility and marketing studies, accounting, management services, and other similar services.

6. Land/property/stocks deemed to be speculative investments or similar companies.
7. Real estate investment companies.
8. Lending institutions.
9. Gambling operations.
10. Any expenditure related to the project but occurring prior to the loan application being approved by the CDA.
11. Members of the City of Whitewater Common Council, CDA, or any other City official, employee, or agent who exercises decision-making functions or responsibilities in connection with the implementation of this program.
12. Loans that are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited). The Committee reserves the right to identify other ineligible uses for the program.
13. Applicants with outstanding property tax or other City liabilities are ineligible.
14. Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.

2.9 Ineligible Businesses

Program funds may not be made available to the following entities:

1. Real estate investment companies (except for facilities from which the business operates);
2. Lending institutions;
3. Gambling operations;
4. Recreational facilities which do not allow access to the general public;
5. Business that have over 90% of their income in direct consumer retail, restaurant or hospitality industry sectors;
6. Other businesses not serving the interests of the City of Whitewater;
7. Any government body or governmental entity (including the City of Whitewater or Whitewater CDA); and
8. Not-for-profit businesses or organizations unless a Payment in Lieu of Taxes (PILOT) is included in the agreement.

2.10 Types of Awards

The CDA will recommend that funds be awarded to an applicant the following ways:

- Direct grant of funds, with no required repayment.
- A loan that contains an amortization schedule with required payments of both principal and interest. A balloon payment maybe negotiated as part of the initial loan agreement.
- A deferral of initial loan payments may be negotiated in order to assist the business in its start-up phase.

SECTION 3. Terms and Conditions

3.1 Terms and Conditions

1. Once approved by the CDA, the City attorney will prepare the loan documents required for the individual loan. These documents may include, but are not limited to, the following:

- Real estate mortgage;
 - Assignment of land contract;
 - Term loan agreement;
 - General Security Agreement;
 - UCC Filing with Secretary of State;
 - General Business Agreement;
 - Personal Guarantee;
 - Authorization Agreement for Automated Debits/Deposits
 - Any other documents deemed necessary by the City Attorney.
2. The CDA reserves the right to set all of the other terms of the loan. The Term Loan Agreement will spell out all of the guidelines of the loan; define default and the consequences of such action. The Agreement will enumerate how the funds will be expended and the required bookkeeping system for the loan recipient.
 3. The applicant must agree that he/she will not discriminate against any employee, applicant for employment, supplier or contractor due to age, race, color, creed, religion, sex, national origin, ancestry, handicap, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., marital status, sexual orientation, or other form of employment discrimination prohibited by the laws of the State of Wisconsin or the United States of America.
 4. Loan terms and conditions will be structured on need and ability to repay. The Committee and the CDA will determine loan terms and interest rates on an individual basis. The interest rate will be established by the Committee and CDA. The interest rate on approved loans will be current prime rate as published by the WSJ minus 2% with a floor of 1.5%.
 5. The length of the amortization schedule will be determined by the Committee/CDA in conjunction with the applicant and is dependent upon the amount of the loan and the type of project assisted.
 6. Minimum standards shall include the following:
 - Loan Amount. Loan amounts are subject to the availability of program funds. No loan request exceeding 30% of total project costs or \$100,000.00 will be considered.
 - Interest Rate. The interest rate will be established by the Committee and CDA. The interest rate on approved loans will be current prime rate as published by the WSJ minus 2% with a floor of 1.5%.
 - The interest rate may be negotiated as part of the overall agreement.
 - Period of Payment. Terms may include longer amortization schedules with balloon payments. Amortization schedules will be set up for monthly payments.
 - Repayment. Payment of interest and/or principal may be deferred during the implementation period of the assisted activity if merited in the loan application. Interest may accrue during the deferment period and may be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.
 - Prepayment. There shall be no prepayment penalties.
 7. Collateral. The City of Whitewater will have the first or second position on assets securing the loan to ensure that these loans are adequately protected
 8. Terms. All terms and conditions of the agreement will be negotiated on a case by case basis. Loan terms will be determined by the Capital Screening Committee subject to the following guidance:
 - The loan term for any loan made may not exceed 10 years,. Most equipment loans will not exceed 5 years, in order to simplify UCC monitoring requirements.

- Loans for machinery, equipment, and fixtures will have a maximum term of five years.
 - Loan terms will be set so that there is an approximate parity between the amortized balance of the loan and the remaining value of the collateral. Loans may be amortized with balloon payments.
 - The term of any loan made under the Loan Fund may not exceed the term of private financing used to meet the matching funding requirements of the project.
9. All loans will be written to require regular systematic payments as determined at the time of the award.
 10. Deferment of Principal and Interest. The CDA may recommend deferring principal and/or interest payments on loans, based upon a demonstration of need by the recipient. Interest will accrue during the deferral period and may be paid in one lump sum at the end of the deferral period or added to the principal of the loan and amortized over the remaining term of the loan. Loan payments may be deferred for a maximum of twelve monthly payments (or one full year from the date the loan is originated).
 11. Prepayment. There are no penalties for prepayment of a loan.
 12. Collateral. The CDA will seek the best possible collateral position to ensure that Loan Fund loans are adequately secured, including a personal guaranty.

SECTION 4. Application Procedures

4.1 Discussion of Program Requirements

Prior to submitting an application, the applicant must discuss the program with the Fund Administrator. The Administrator will assist the applicant, as is reasonably necessary, in completing the application. All financial information will be kept in a secure place with limited access by authorized personnel only.

4.2 Timing of Applications

There is no proscribed funding cycle for this program. Applications may be submitted at any time.

4.3 Priority of Consideration

Applications are reviewed in the order received and based on readiness for the proposed project to proceed. In the event that the funds requests exceed available funds, the following criteria will be used to determine which business(es) will be awarded funding:

- Eligibility of the applicant.
- Eligibility of the project to be undertaken.
- Ability of the project to secure funding from other sources.
- Extent to which other public funds are used to support the project.
- The extent to which private funds are leveraged.
- Other grants, loans or equity investments with the CDA.
- Size of the funding requested.
- Timing of the proposed expenditures.
- Completeness of the application.
- Other factors as deemed appropriate by the Screening Committee.

4.4 Application

Applicants must submit an application using the form available and that includes the following:

- Business Description: A written description of the business including:
- A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, market and products;
- Potential markets and customers
- Resumes of each principal associated with the business including number of years of experience in the business, educational background, and role in the business; and
- A financial history, if available, of the business including balance sheets, profit/loss statements, cash flow statements, and accountant notes for the previous three years. For a startup business, personal income tax statements for the past three years could be required.
- Applications must be submitted at least ten (10) days prior to the monthly meeting of the CDA. Only fully completed applications will be processed.
- Fund Sources: A detailed description of the sources and uses of the funds needed for the project, including Loan funds, private sector funds, equity, etc.
- Projected Expenditures: A detailed summary of any and all uses of the total sources of funding, including budget and capital expenditures. In addition, copies of lease agreements should also be submitted.
- Projections. Provide proformas (a balance sheet, income statement and cash flow statement) covering a three-year period based on the assumption that the business will obtain the requested award from the CDA.
- Additional Information. Additional information may be requested by the Fund Administrator.

4.5 Review Process

Specific steps in the review process include the following:

- Preliminary Review. The Fund Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements. If the application is not complete, the Administrator will inform the applicant of the deficiencies and work with them to correct the areas of concern.
- Negotiation of Terms. Upon tentative acceptance by the CDA Board of Directors, the Administrator will contact the business in writing to explain the terms of the offer being extended.
- Notice of Award. If the application is approved, a closing will be scheduled to execute the necessary documents.
- Rejection of Award. If the applicant is not approved, the Administrator will send a letter to the applicant stating the reasons for the rejection and offering to meet with the applicant to explore ways to strengthen the request or to identify potential alternative sources of financing.

5. Distribution of Funds

5.1 Loan Investment Procedures

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

1. Notice of Award. The Community Development Authority must have reviewed and approved a complete application for an eligible applicant.
2. Loan/Equity Investment Agreement. The City Attorney will prepare the documents to be executed by the CDA Director.
3. Promissory Note. A promissory note will be prepared by the City staff and signed by the authorized representative of the business at the time of closing. The note must be dated, it must refer to the agreement between the CDA and the business, and it must specify the amount and terms of the loan funds delivered.
4. Security. Mortgage or lien instruments or personal guarantees provided as security for all loans shall be prepared and executed at the time of the loan closing. The City Attorney shall record the instrument and place a copy in the project file to include:
 - (a) Mortgage and/or security agreement.
 - (b) UCC searches and filing.
 - (c) Guarantee agreement.
 - (d) Title insurance or Abstract.
 - (e) Assignment of Life Insurance.
 - (f) Casualty Insurance binder.
 - (g) Personal guarantee.
 - (h) Other documentation as may be appropriate.
5. Repayment Schedule. A loan repayment or amortization schedule will be prepared by City staff at the time funds are disbursed. The repayment schedule will be attached to both parties' copies of the agreement.
6. Evidence of Eligibility for Permits, etc. Documentation must be provided by the applicant that all necessary permits, licenses, and any other registration required have been obtained by the applicant prior to the release of program funds.
7. Evidence of Program Expenditures. Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Fund Administrator.
8. Fixed Equipment. Fixed equipment financed with program funds must have been purchased, delivered and installed. The Fund Administrator will verify the installation of fixed equipment.
9. Other Documentation. As appropriate or necessary, the borrower may be asked to provide the following:
 - a. A Certificate of Status from the Department of Financial Institutions;
 - b. Articles of Incorporation and Bylaws;
 - c. A resolution of agreement to borrow funds;
 - d. Current financial statements;
 - e. Evidence of having secured other funds necessary for the project; and
 - f. An environmental assessment for real estate.

With the above documentation in place, the Fund Administrator will schedule a closing. Mortgages and UCC statements must be recorded with the Register of Deeds and the Secretary of State.

5.2 Grant Procedures

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time regarding the grant.

1. Notice of Award. The Community Development Authority must have reviewed and approved a complete application for an eligible applicant.
2. Grant Agreement. City Staff will prepare the grant agreement to be executed by the CDA Director, and authorized representative(s) of the business.
3. Evidence of Eligibility for Permits, etc. Documentation must be provided that the applicant is eligible for all necessary permits, licenses, and other registrations.
4. Evidence of Program Expenditures. Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Fund Administrator.
5. Other Documentation. As appropriate or necessary, the Grantee may be asked to provide the following:
 6. A Certificate of Status from the Department of Financial Institutions;
 7. Articles of Incorporation and Bylaws;
 8. A resolution of agreement to borrow funds;
 9. Current financial statements;
 10. Evidence of having secured other funds necessary for the project; and
 11. An environmental assessment for real estate.
12. With the above documentation in place, the Fund Administrator will schedule a Grant closing. All documents will be executed before funds are disbursed.

SECTION 6. Post-Approval Requirements

6.1 Obligation of the Applicant

In addition to the terms and conditions of the loan/grants, all applicants must agree to comply with the following conditions. These conditions must be written into the terms of the agreement prepared by the CDA.

1. Non-Discrimination. Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.05(5), sexual orientation or national origin in an employment or construction activity related to the use of the business loan funds.
2. Use of Funds. To use the proceeds only to pay the cost of services or materials necessary to complete the project or activity for which the funds were awarded.
3. Inspections / Audit by City staff. To permit inspections by persons authorized by the CDA of all projects and properties assisted with the funds. Related project materials will also be open to inspections which include, but may not be limited to contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection / audits must be compiled with by the applicant.

4. Records. To maintain records on the project as may be requested by City staff. These files must be maintained as long as the loan/grant is active or for at least three years after completion of the work for which the loan/grant has been obtained, whichever is longer.
5. Progress Reports. To submit periodic progress reports to City staff in accordance with the schedule in the agreement.
6. Compliance with Federal Law. As required to abide by all federal laws, when applicable. These include, but may not be limited to the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Davis-Bacon Act as amended, the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, and all regulations pursuant to these acts.

SECTION 7. Performance Monitoring

7.1 Default

In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, will, at the CDA's option, become immediately due and payable. Loans found to be in default may be subject to a default rate of the prime rate on interest on the date of closing (defined as the prime rate of interest as published in the Midwest Edition of the Wall Street Journal) plus two percent. To exercise this option, the CDA will prepare a written notice to the business. The notice must specify the following:

1. The default;
2. The action required to cure the default;
3. The date, not less than thirty days from the date of notice, by which the default may be cured to avoid foreclosure or other collective action; and
4. Any penalties incurred as a result of the default.

SECTION 8. Use and Reporting of Payments

8.1 Loan Fund Program

Repaid loans and/or equity payments must be deposited into the Loan Fund Program account(s) and used in a manner consistent with the policies and procedures manual. A separate accounting record must be kept for each application to account for all funds disbursed.

The Loan Fund Loan Program account(s) must be audited on an annual basis and the Finance Department will provide reports at times and on forms as required by the funding streams.

SECTION 9. Loan Program Servicing

9.1 Program Monitoring

The Fund Administrator will monitor each loan/grant to ensure compliance with the terms and conditions and to monitor the financial health of the business to ensure continued payment of the loan. The monitoring will also ensure that all record keeping requirements are met

The Fund Administrator will monitor the overall Loan Fund Program including all records of individual loans/grants, funds deposited to bank accounts, and other program funds. A schedule of outlining the equity of the Fund in various projects is also required. The Fund Administrator will monitor the effectiveness of the Loan Fund Program, market the program, and recommend policy and procedures to the Board of Directors of the Whitewater CDA.

9.2 Reporting to the CDA Board

The Fund Administrator will prepare a semi-annual summary report of the Loan Fund Program and provide this to the CDA Board of Directors. The intent of the report is to offer a snapshot of the status of existing loans/grants, equity positions and balances in the program accounts. The report will include the following information:

1. Summary information for each outstanding loan, including the starting balance, payments received during the month, current balance, and status of payments;
2. Summary of information for each grant provided and the status of the business;
3. Summary of information for each equity position provided and the status of the business;
4. Summary information on Loan Fund accounts, including starting balance, debits and credits to the accounts, *and* ending balances;
5. Funds available to be awarded and funds committed; and
6. A written summary of any collection activity or other non-routine activity relating to the program.

9.3 Reporting to the City of Whitewater

The various programs offered through the Whitewater CDA are included in the financial information reported by the CDA to the City of Whitewater on an annual basis. Accounting for these programs occurs within the financial reporting system used by the city. The CDA will report the balances of all Loan Fund accounts, outstanding loan balances, and all transactions that occurred during the reporting period. These program accounts are subject to the city's requirement for an annual audit.

9.4 Program Records

The Fund Administrator will maintain records associated with the general administration of the Loan Fund, including:

1. Policy and procedures manuals and other guidance adopted by the Whitewater CDA or City of Whitewater relating to the administration of the Loan Fund Program;

2. Documentation of any actions taken by the Whitewater CDA or City of Whitewater relating to the Loan Fund Program;
3. General documentation and correspondence relating to the Loan Fund Program;
4. Bank statements, checkbook registers, deposit records, check copies, certificates, and all other documentation relating to Loan funds deposited at area financial institutions;
5. Records of administrative expenses paid through the use of program funds;
6. Records of activity taken to market the Loan Fund Program;
7. Status Reports provided to the Whitewater CDA Board of Directors;

9.5 Program Monitoring Schedule

The Fund Administrator will establish a monitoring schedule to provide a reminder of the dates on which actions need to be taken to service the Loan Fund Program. The monitoring file should record the following dates:

1. Due dates of certificates of deposit in which program funds are invested;
2. Date upon which the terms of outstanding loans are due to be modified according to the loan agreement;
3. Dates by which recipients are scheduled to provide financial statements or progress reports;
4. Expiration dates of required insurance;
5. Dates upon which loans are due to be paid off, or balloon payments are due;
6. Dates by which UCC Filings are scheduled to be renewed; and
7. Dates upon which annual recipient reviews are to be conducted

9.6 Individual Loan Records

A Master File will be established for each awarded through the Loan Fund Program. The Master File will include several sub-files, with the contents arranged as follows:

- 1- Application File. This file contains all of the documentation relating to application
- 2- Recommendation File. This file will contain a record of deliberations in considering the request for a loan/grant under the Loan Fund Program
- 3- Closing File. This file includes all documentation relating to the closing of the loan/grant. Some original documents may be kept in the CDA's safety deposit box for added security. Copies of these will be placed in the file along with a note indicating that the original is in the safety deposit box
- 4- "Tickler File" System. The "tickler file" is a listing of time-sensitive monitoring requirements, intended to alert the Fund Administrator to actions which may need to be taken to adequately secure the CDA's interests
5. Financial Statement File. This file contains the business's financial statements submitted to the CDA.
- 6- Site Visit File. This file will contain a record of site visits made by the Fund Administrator to the project location or award recipient.
- 7- Progress Report File. This file will contain progress reports submitted by the business.
- 8- Repayment Monitoring File. This file contains all records relating to the loan payment history of the loan recipient.
9. Annual File Review. This file will contain the Annual File Review report prepared by the Fund Administrator.

9.7 Late Payment

All loan payments must be made in a timely manner. Payments made within ten (10) days of the due date will be considered on time. The following procedure will apply to all past due loan payments

Payment thirty (30) days past due. A written notice will be sent to the loan recipient via certified mail, reminding them that payment is past due and notifying them of a potential default. The letter will include any actions that must be taken to avoid default, and the date by which action must be taken (not more than sixty (60) days from the date of the notice on which payment must be received). Notice will be given to the CDA Board at its next regularly scheduled meeting and the Board will determine if any additional steps are warranted.

The CDA Board will be updated on the status of the loan at its next regularly scheduled meeting. The Board will determine if any additional steps are warranted.

9.8 Troubled Accounts

When monitoring indicates that the recipient may be experiencing financial or potential problems that could threaten the viability of the loan or the business, the CDA will make appropriate attempts to assist the recipient. This includes but not limited to: additional visits, refinancing options, work with their Financial Advisor and Legal Counsel in the development of a financial plan.

The Fund Administrator will notify the CDA of any troubled loans and the steps being taken to rectify the problems.

Appendix

Application