



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

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

Thursday, September 19, 2024 - 5:30 PM

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

Please click the link below to join the webinar:

https://us06web.zoom.us/j/81291332188?pwd=KS_eCLRW51lXuxlzPbB91yPJcU3KdA.2hUHAMXdK_m0qSOI

Or Telephone:

+1 312 626 6799 US (Chicago)

Webinar ID: 812 9133 2188

Passcode: 074612

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

AGENDA

CALL TO ORDER

ROLL CALL

DECLARATION OF CONFLICT OF INTEREST.

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

APPROVAL OF AGENDA

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

HEARING OF CITIZEN COMMENTS

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

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see

these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

APPROVE MINUTES

- [1.](#) Approve Minutes of the August 15, 2024 CDA Meeting.

ACKNOWLEDGE CDA FINANCIAL STATEMENTS

- [2.](#) Review and acknowledge CDA Financial Statements for period ending August 31, 2024.

ACTION ITEMS

- [3.](#) Discussion and possible action regarding outstanding loan to Fine Food Arts LLC d/b/a The Black Sheep (EDD Zeinert)
- [4.](#) Discussion and possible action regarding status of Inventalator (f/k/a Ideawake) Capital Catalyst Loan (Finance Director Blitch).
- [5.](#) Staff Update regarding Memorandum of Understanding (MOU) between CDA and City Water Utility (Finance Director Blitch)
- [6.](#) Appointment to Tech Park Advisory Board (EDD Zeinert)
- [7.](#) Discussion and possible action regarding approval of Subordination Agreement between the CDA and Shabani Investments, LLC (EDD Zeinert).
- [8.](#) Staff Update regarding sunk costs related to 108 W. Main Street Building (EDD Zeinert)
- [9.](#) Discussion and possible action regarding repair of the basement foundation wall at 108 West Main Street (EDD Zeinert)
- [10.](#) Discussion and possible action regarding demolition of 126 North Jefferson Street Property (EDD Zeinert).
- [11.](#) Discussion and possible action regarding continuation of Whitewater WindUp event in the future (EDD Zeinert)

CONSIDERATIONS / DISCUSSIONS / REPORTS

12. Economic Development Director Report (EDD Zeinert)
- [13.](#) Presentation by Fire Department regarding development of a fire training facility (Assistant Fire Chief Dion).

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:

14. Discussion and possible action regarding Development Agreement for construction of a fire training facility to be located on vacant parcel of land owned by the City on Innovation Drive (Parcel No. /A455500001)

15. Discussion and possible action regarding Offer to Purchase vacant parcel of land located on Starin Road (Tax Parcel No. /WUP 00018D)

RECONVENE INTO OPEN SESSION

16. Reconvene to Open Session for possible action on Closed Session item(s).

FUTURE AGENDA ITEMS

17. Staff Report - How to do a TIF Calculation
18. Cost of Amending a TIF District
19. Update to Rules of Procedure Handbook.
20. Updates to Revolving Loan Program.
21. Updates to Facade Loan Program.

VIDEO PRESENTATION

- [22.](#) Open Meetings Law Compliance Training (EDD Zeinert)

ADJOURNMENT

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

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

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



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

Thursday, August 15, 2024 - 5:30 PM

MINUTES

CALL TO ORDER: Chair Majkrzak called the meeting to order at 5:30 p.m.

ROLL CALL:

PRESENT: Greg Majkrzak, Neil Hicks, Thayer Coburn, Jeff Knight, Jon Kachel. ABSENT: Joe Kromholz, Christ Christon.

STAFF PRESENT: Taylor Zeinert (Economic Development Director); Bonnie Miller (CDA Administrative Assistant); Rachel Blitch (Finance Director).

DECLARATION OF CONFLICT OF INTEREST. Would any Member of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda? None stated.

APPROVAL OF AGENDA

Moved by Chair Majkrzak to approve the Agenda as amended to move Item #8 in the Agenda before Item #3; second by Board Member Knight. Roll Call: AYES: Knight, Hicks, Coburn, Kachel, Majkrzak; NOES: None; ABSENT: Kromholz, Christon.

HEARING OF CITIZEN COMMENTS. None.

APPROVE MINUTES: Moved by Board Member Hicks and seconded by Board Member Kachel to approve the July 18, 2024 CDA Board Meeting Minutes; seconded by Board Member Kachel. Roll Call: AYES: Hicks, Kachel, Coburn, Knight, Majkrzak. Roll Call: AYES: Hicks, Kachel, Coburn, Knight, Majkrzak. NOES: None. ABSENT: Kromholz, Christon.

FINANCIAL STATEMENTS: Moved by Board Member Knight to approve the Financial Statements for period ending July 31, 2024; second by Board Member Hicks. Roll Call: AYES: Hicks, Kachel, Coburn, Knight, Majkrzak. NOES: None. ABSENT: Kromholz, Christon.

ACTION ITEMS

- 8. **Staff Update Regarding Modular Home Introduction (NRS Real Estate).** EDD Zeinert introduced Louis Gouletas of NRS Real Estate and Paul Fitzpatrick of 11 East Partners LLC who presented a modular homes concept consisting of single-family 2, 3 and 4-bedroom modular homes. The homes would foundation constructed with no basements and no

- garage specifically designed to be within reach of Whitewater’s demographic with a variety of price ranges and options.
3. **Discussion and possible action regarding the 108 West Main Street Property.**
ED Director Zeinert provided an update regarding the status of replacement of the roof at 108 West Main Street property owned by the CDA and requested direction to go ahead with the proposal from Badgerland Roofing. Moved by Board Member Hicks to approve the repair to 108 W. Main St. not to exceed \$21,000; seconded by Majkrzak. Roll Call: AYES: Hicks, Majkrzak. NOES: Knight, Coburn, Kachel. ABSENT: Christon, Kromholz. Motion failed. Moved by Coburn to approve the Badgerland proposal at \$19,990 for the repair of the roof at 108 W. Main Street; seconded by Majkrzak. Roll Call: AYES: Majkrzak, Hicks, Coburn; Noes: Knight, Kachel. ABSENT: Christon, Kromholz. Motion passed.
 4. **Discussion and Possible Action Regarding Potential WindUp 2025.** EDD Zeinert requested feedback from the Board regarding consideration of proceeding with WindUp 2025. After lengthy discussion, the preference of the Board would be to conduct WindUp 2025 with two separate categories consisting of start-up businesses and existing businesses. Kachel would like to see pictures (inside and out) of the building potentially being considered for improvement by the winners. EDD Zeinert stated that she would like to start preparing for WindUp 2025 at least three (3) months in advance. Board Member Hicks would like to skip a year and proceed with a WindUp in 2026.
 5. **Consideration and possible action with regard to Affordable Housing Fund Down Payment Assistance Loan Application (DPA) No. 2024-002 for the purchase of 371 S. Janesville Street.** EDD Zeinert provided background information with regard to the Affordable Housing Fund Program itself and to this application specifically. Moved by Moved by Majkrzak to approve DPA Loan Application No. 2024-002 in the sum of \$25,000; seconded by Coburn. Roll Call Vote. AYES: Kachel, Knight, Hicks, Majkrzak, Coburn. NOES: None. ABSENT: Kromholz, Christon. Motion passed.
 6. **Consideration and possible action with regard to Affordable Housing Fund Down Payment Assistance Loan Application No. 2024-003 for the purchase of 303 South Whiton Street.** EDD Zeinert summarized Affordable Housing Fund Down Payment Assistance (DPA) Loan Application No. 2024-003 and recommended approval. Moved by Coburn to approve DPA Loan No. 2024-003; seconded by Majkrzak. Roll Call Vote. AYES: Majkrzak, Hicks, Coburn, Knight, Kachel. NOES: None. ABSENT: Kromholz, Christon. Motion passed.
 7. **Discussion and possible action with regard to status of CDA Loan to Recruitcute, Inc. in the amount of \$50,000.00.** Finance Director Blich provided a summary of the background and status of the \$50,000 Capital Catalyst Loan to Recruitcute, Inc. Director Blich reported that the business had been dissolved in 2021 and recommended that the loan be written off. Moved by Hicks to write off the \$50,000 Capital Catalyst Loan to Recruitcute, Inc.; seconded by Knight. Roll Call Vote. AYES: Majkrzak, Hicks, Coburn, Knight, Kachel. NOES: None. ABSENT: Kromholz, Christon. Motion passed.

9. **Staff Update Regarding Status of Scanalytics Loan and Slipstream Loan.** Finance Director Blich provided background facts and a status update regarding CDA loan to Scanalytics and CDA loan to Slipstream. Director Blich reported that both businesses are still operational and recommended referral of both loans to CDA legal counsel for collection. Moved by Knight to refer both accounts to legal counsel for collection; seconded by Coburn. Roll Call Vote. AYES: Hicks, Kachel, Coburn, Knight, Majkrzak. NOES: None. ABSENT: Kromholz, Christon. Motion passed.
10. **Staff Update Regarding Legal Action Against Fine Food Arts d/b/a The Black Sheep.** EDD Zeinert provided background information with regard to the status of the 2021 delinquent CDA loan in the sum of \$30,000 to Fine Food Arts d/b/a The Black Sheep and updated the Board with regard to a proposal by Dan Rodriguez to purchase the remaining assets at 210 W. Whitewater Street by means of an Assignment and Assumption Agreement to be entered into by and between Jay Stinson and Dan Rodriguez. EDD Zeinert referred the matter to CDA Attorney Manthe for his review and recommendation. Staff conducted a walk-through with Mr. Rodriguez to identify and create a listing of the assets remaining. This item will be brought back to the Board for update and direction.
11. **Economic Development Director Report.** EDD Zeinert updated the Board regarding the upcoming Food Truck Festival and the status of activities by City Staff at the Innovation Center regarding transition of management tasks from the University to the CDA.

EXECUTIVE SESSION. Moved by Coburn to Adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Item to be discussed: Discussion and possible action regarding BaristaCats Cafe allocation of funds under the WindUp Program. Motion seconded by Board Member Coburn. AYES: Majkrzak, Coburn, Knight, Kachel, Hicks. NOES: None. ABSENT: Kromholz, Christon. Motion passed.

RECONVENE TO OPEN SESSION

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

13. **Possible action regarding BaristaCats Cafe allocation of funds under the WindUp Program.** No action taken.

FUTURE AGENDA ITEMS

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

ADJOURNMENT. Moved by Knight to adjourn; seconded by Kachel. Motion passed by unanimous voice vote. Chairperson Majkrzak adjourned the meeting at 7:19 p.m.

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.

DRAFT

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 8 MONTHS ENDING AUGUST 31, 2024

Item 2.

ECONOMIC DEVELOPMENT FUND

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

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 8 MONTHS ENDING AUGUST 31, 2024

Item 2.

ECONOMIC DEVELOPMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA</u>						
900-56500-111	SALARIES	(3,497.85)	67,201.08	121,050.02	53,848.94	55.5
900-56500-151	FRINGE BENEFITS	(1,458.37)	11,526.83	38,265.63	26,738.80	30.1
900-56500-210	PROFESSIONAL DEVELOPMENT	1,264.01	3,179.01	3,535.00	355.99	89.9
900-56500-211	CONSULTANT FEES	.00	10,867.23	.00	(10,867.23)	.0
900-56500-212	LEGAL SERVICES	.00	1,798.50	12,625.00	10,826.50	14.3
900-56500-215	PROFESSIONAL SERVICES	.00	8,003.50	2,525.00	(5,478.50)	317.0
900-56500-222	COUNTY/REGIONAL ECON DEV	.00	11,019.00	11,000.00	(19.00)	100.2
900-56500-223	MARKETING	(5,975.00)	427.14	2,525.00	2,097.86	16.9
900-56500-224	SOFTWARE/HARDWARE MAINTENANCE	396.47	1,892.30	3,590.71	1,698.41	52.7
900-56500-225	TELECOM/INTERNET/COMMUNICATION	601.03	1,547.65	1,991.17	443.52	77.7
900-56500-310	OFFICE & OPERATING SUPPLIES	514.37	2,521.81	606.00	(1,915.81)	416.1
900-56500-311	POSTAGE	.00	18.56	202.00	183.44	9.2
900-56500-320	DUES	.00	.00	1,000.00	1,000.00	.0
900-56500-325	PUBLIC EDUCATION	.00	215.00	50.50	(164.50)	425.7
900-56500-330	TRAVEL EXPENSE	11.68	1,139.48	3,737.00	2,597.52	30.5
900-56500-341	MISC EXPENSE	.00	.00	300.00	300.00	.0
	TOTAL CDA	(8,143.66)	121,357.09	203,003.03	81,645.94	59.8
	TOTAL FUND EXPENDITURES	(8,143.66)	121,357.09	203,003.03	81,645.94	59.8
	NET REVENUE OVER EXPENDITURES	8,143.66	8,642.91	.00	(8,642.91)	.0

Report Criteria:

Report type: GL detail

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

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Notes	Description	Invoice Number	Invoice GL Account	Invoice Amount
900									
08/24	08/08/2024	97165	9924	HUEMPFNER, LISA		SPANISH SPEAKING CLASS FEE	073124	900-56500-210	100.00
08/24	08/08/2024	97179	8	UW WHITEWATER		2024 WAR HAWK FEST TABLE	2024 WAR H	900-56500-223	25.00
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-LEAGUE	TRAINING CLASS FEE	August 2024	900-56500-210	26.00
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-SQ *THE	COFFEE	August 2024	900-56500-310	6.59
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-IEDC ONL	IEDC Certification Courses	August 2024	900-56500-210	805.00
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-WEDA	IEDC Certification Course	August 2024	900-56500-210	299.00
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-WHITEWA	Chamber Breakfast	August 2024	900-56500-210	20.00
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-WHITEWA	Chamber Breakfast	August 2024	900-56500-210	20.00
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-THE LISM	WCMA Conference Tax form refund	August 2024	900-56500-210	18.35-
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-WALWOR	WCEDA Lunch and Learn	August 2024	900-56500-210	12.36
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-AMZN MK	COW and CDA Table Cloths of tabling events	August 2024	900-56500-310	149.98
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-AMAZON	Computer Charging Cord	August 2024	900-56500-310	25.78
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-SHUTTER	Updated Canvases for the Innovation Center	August 2024	900-56500-310	274.26
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-AMAZON.	A Book John wants me to read	August 2024	900-56500-310	17.78
08/24	08/22/2024	900172	8487	US BANK	JEREMIAH THOMAS-STERI	SHREDDING SVCS	August 2024	900-56500-310	19.13
08/24	08/22/2024	900172	8487	US BANK	TAYLOR ZEINERT-MCDONA	Food for WCMA	August 2024	900-56500-330	11.68
Total 900:									1,794.21
Grand Totals:									1,794.21

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

Item 2.

ECONOMIC DEVELOPMENT FUND

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>					
900-11100	CASH	31,000.08	8,143.66	(4,255.81)	26,744.27
900-19000	GASB 68-WRS NET PENSION ASSETS	(6,097.61)	.00	.00	(6,097.61)
900-19021	GASB 68-WRS DOR	23,154.68	.00	.00	23,154.68
900-19999	GASB 68-PENSION CLEARING ACCT	5,089.00	.00	.00	5,089.00
	TOTAL ASSETS	53,146.15	8,143.66	(4,255.81)	48,890.34
 <u>LIABILITIES AND EQUITY</u>					
<u>LIABILITIES</u>					
900-21100	ACCOUNTS PAYABLE	6,802.57	.00	(6,802.57)	.00
900-21106	WAGES CLEARING	6,096.15	.00	(6,096.15)	.00
900-23810	ACCRUED SICK LEAVE	639.58	.00	.00	639.58
900-29011	GASB 68-WRS DIR	12,767.45	.00	.00	12,767.45
	TOTAL LIABILITIES	26,305.75	.00	(12,898.72)	13,407.03
 <u>FUND EQUITY</u>					
900-34300	PROPRIETARY CAPITAL	26,840.40	.00	.00	26,840.40
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	8,143.66	8,642.91	8,642.91
	BALANCE - CURRENT DATE	.00	8,143.66	8,642.91	8,642.91
	TOTAL FUND EQUITY	26,840.40	8,143.66	8,642.91	35,483.31
	TOTAL LIABILITIES AND EQUITY	53,146.15	8,143.66	(4,255.81)	48,890.34

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 8 MONTHS ENDING AUGUST 31, 2024

Item 2.

CDA PROGRAMS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>FACADE LOAN REVENUE</u>					
910-44005-00	FACADE INT-BOWER'S HOUSE \$50K	57.35	1,644.02	.00 (1,644.02)	.0
910-44006-00	FACADE INT-SHABANI INV LLC 50K	166.21	332.88	.00 (332.88)	.0
	TOTAL FACADE LOAN REVENUE	223.56	1,976.90	.00 (1,976.90)	.0
<u>ACTION LOAN REVENUE</u>					
910-46001-00	INT INC-ACTION-LRN DEPOT \$41K	51.44	723.82	655.37 (68.45)	110.4
910-46008-00	INT INC-ACTION-SAFEPRO \$100K	303.90	2,542.50	3,714.90 1,172.40	68.4
910-46010-00	INT INC-ACTION-SWSPOT/GILDE	143.40	996.21	1,659.91 663.70	60.0
	TOTAL ACTION LOAN REVENUE	498.74	4,262.53	6,030.18 1,767.65	70.7
<u>MISCELLANEOUS REVENUE</u>					
910-48103-00	INTEREST INCOME-FACADE	17.90	709.43	890.69 181.26	79.7
910-48104-00	INTEREST INCOME-HOUSING	36.66	500.89	518.42 17.53	96.6
910-48108-00	INTEREST INCOME-SEED FUND	204.39	1,747.34	750.00 (997.34)	233.0
910-48109-00	INTEREST INCOME-ACTION FUND	3,962.85	32,476.03	33,750.00 1,273.97	96.2
910-48605-00	RENTAL INCOME-CROP LEASES	.00	12,838.00	15,876.00 3,038.00	80.9
910-48700-00	GAIN ON SALE OF LAND	.00	9,766.04	.00 (9,766.04)	.0
	TOTAL MISCELLANEOUS REVENUE	4,221.80	58,037.73	51,785.11 (6,252.62)	112.1
<u>OTHER FINANCING SOURCES</u>					
910-49290-00	TRANSFER FROM OTHER FUNDS	.00	.00	116,264.71 116,264.71	.0
910-49300-56	FUND BALANCE APPLIED	.00	.00	(164,080.00) (164,080.00)	.0
	TOTAL OTHER FINANCING SOURCES	.00	.00	(47,815.29) (47,815.29)	.0
	TOTAL FUND REVENUE	4,944.10	64,277.16	10,000.00 (54,277.16)	642.8

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 8 MONTHS ENDING AUGUST 31, 2024

Item 2.

CDA PROGRAMS FUND

		<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA PROGRAMS</u>						
910-56500-212	LEGAL/PROFESSIONAL/MARKETING	.00	6,392.04	5,000.00	(1,392.04)	127.8
910-56500-219	PROFESSIONAL SERVICES	.00	1,747.50	5,000.00	3,252.50	35.0
910-56500-323	MARKETING/AD'S	119.20	119.20	.00	(119.20)	.0
910-56500-407	ECON DEV-LOAN EXPENSES	20.00	20.00	.00	(20.00)	.0
910-56500-408	RENTAL & PROPERTY EXPENSES	496.43	2,650.12	.00	(2,650.12)	.0
910-56500-417	CAP CAT-LOAN LOSS ALLOWANCE	51,050.00	51,050.00	.00	(51,050.00)	.0
910-56500-525	ACTION GRANTS-BUSINESS DEV	97,500.00	97,500.00	.00	(97,500.00)	.0
	TOTAL CDA PROGRAMS	<u>149,185.63</u>	<u>159,478.86</u>	<u>10,000.00</u>	<u>(149,478.86)</u>	<u>1594.8</u>
	TOTAL FUND EXPENDITURES	<u>149,185.63</u>	<u>159,478.86</u>	<u>10,000.00</u>	<u>(149,478.86)</u>	<u>1594.8</u>
	NET REVENUE OVER EXPENDITURES	<u>(144,241.53)</u>	<u>(95,201.70)</u>	<u>.00</u>	<u>95,201.70</u>	<u>.0</u>

CDBG-HOUSING CHK-1CSB XXX450		Total Deposit	Debit	910-11600	-
HO# 1 Payment	Principal		Credit	910-14027	
HO# 11 Payoff	Principal		Credit	910-14037	
ACTION-BUS DEV-BUS PARK-XXX127		Total Deposit	Credit	910-11800	4,219.32
PAUQUETTE CENTER LOAN RECV	Principal		Debit	910-13500	(1,289.52) 08/05/2024 ACH PAYMENT
ACTION-SWSPOT/GILDEMEISTER 54K	Principal		Credit	910-13510	(615.35) 08/22/2024 ACH PAYMENT
INT INC-ACTION-SWSPOT/GILDE	Interest		Credit	910-46010-00	(143.40) 08/22/2024 ACH PAYMENT
ACTION-SAFEPRO TECH \$100K	Principal		Credit	910-13509	(1,169.10) 08/12/2024 ACH PAYMENT
INT INC-ACTION-SAFEPRO \$100K	Interest		Credit	910-46008-00	(303.90) 08/12/2024 ACH PAYMENT
ACTION-LEARNING DEPOT \$41,294	Principal		Credit	910-13501	(646.61) 08/01/2024 ACH PAYMENT
INT INC-ACTION-LRN DEPOT \$41K	Interest		Credit	910-46001-00	(51.44) 08/01/2024 ACH PAYMENT
FACADE CKING-1ST CIT- XXX442		Total Deposit	Credit	910-11702	2,115.60
FACADE-BOWERS HOUSE LLC \$50K	Principal		Credit	910-16008	(2,058.25) 08/12/2024 ACH PAYMENT
FACADE INT-BOWER'S HOUSE \$50K	Interest		Credit	910-44005-00	(57.35) 08/12/2024 ACH PAYMENT
FACADE-SHABANI INV LLC \$50K	Principal		Credit	910-16009	(136.78) 08/15/2024 ACH PAYMENT
FACADE INT-SHABANI INV LLC 50K	Interest		Credit	910-44006-00	(166.21) 08/15/2024 ACH PAYMENT
MARKETING/AD'S				910-56500-323	119.20 Marketing Items
ECON DEV-LOAN EXPENSES				910-56500-407	20.00 Annual Reports-Scanalitics, Slipstream & Invenalator
ACTION GRANTS-BUSINESS DEV				910-56500-525	75,000.00 Bowers House Grant
ACTION GRANTS-BUSINESS DEV				910-56500-525	14,700.00 Cat Café Grant
ACTION GRANTS-BUSINESS DEV				910-56500-525	7,800.00 Stellar Vintage Grant
RENTAL & PROPERTY EXPENSES				910-56500-408	18.87 126 N Jefferson Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	132.14 108 W Main Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	120.42 216 E Main Utilities
RENTAL & PROPERTY EXPENSES				910-56500-408	225.00 126 N Jefferson Mowing
ACTION-BUS DEV-BUS PARK-XXX127				910-11800	(98,135.63) Cash Transactions
PROFESSIONAL SERVICES				910-56500-219	
RENTAL & PROPERTY EXPENSES				910-56500-408	
GAIN ON SALE OF LAND				910-48700-00	
LAND				910-18350	
ACTION-LAND PURCHASE-XXX127				910-11801	-

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

Item 2.

CDA PROGRAMS FUND

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
910-30110	CONTRIBUTED CAPITAL	456,815.37	.00 (	181,643.84)	275,171.53
910-34300	PROPRIETARY CAPITAL	6,439,031.08	.00 (	111,222.15)	6,327,808.93
910-34400	RESERVE FOR LAND PURCHASES	238,031.94	.00	292,865.99	530,897.93
UNAPPROPRIATED FUND BALANCE:					
	REVENUE OVER EXPENDITURES - YTD	.00	(144,241.53)	(95,201.70)	(95,201.70)
	BALANCE - CURRENT DATE	.00	(144,241.53)	(95,201.70)	(95,201.70)
	TOTAL FUND EQUITY	7,133,878.39	(144,241.53)	(95,201.70)	7,038,676.69
	TOTAL LIABILITIES AND EQUITY	9,588,315.71	(996,107.53)	(964,244.26)	8,624,071.45

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

Item 2.

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11600 CDBG-HOUSING CHK-1CSB XXX450	14,423.58	36.66 (	6,157.86)	8,265.72
910-11702 FACADE CKING-1ST CIT- XXX442	24,867.75	2,436.49 (	19,914.91)	4,952.84
910-11800 ACTION-BUS DEV-BUS PARK-XXX127	434,973.50 (	89,953.46) (	51,635.05)	383,338.45
910-11801 ACTION-LAND PURCHASE-XXX127	540,897.93	.00 (	121,054.31)	419,843.62
910-11900 CAP CAT-ASSOC BK XXXXX3734	119,111.77	204.39	1,747.34	120,859.11
910-13500 PAUQUETTE CENTER LOAN RECV	111,897.28 (	1,289.52) (	10,316.16)	101,581.12
910-13501 ACTION-LEARNING DEPOT \$41,294	19,898.18 (	646.61) (	5,042.68)	14,855.50
910-13508 ACTION-FINE FOOD ARTS \$30,000	30,000.00	.00		30,000.00
910-13509 ACTION-SAFEPRO TECH \$100K	99,217.10 (	1,169.10) (	9,241.50)	89,975.60
910-13510 ACTION-SWSPOT/GILDEMEISTER 54K	44,885.18 (	615.35) (	4,891.69)	39,993.49
910-14000 CDBG HOUSING-MO301	8,220.00	.00	.00	8,220.00
910-14001 CDBG HOUSING-A8416	10,203.84	.00	.00	10,203.84
910-14003 CDBG HOUSING-B935	18,420.02	.00	.00	18,420.02
910-14006 CDBG HOUSING-C932	8,062.00	.00	.00	8,062.00
910-14009 CDBG HOUSING-J8802	10,818.00	.00	.00	10,818.00
910-14011 CDBG HOUSING-M8501	11,000.90	.00	.00	11,000.90
910-14013 CDBG HOUSING-P954	11,000.00	.00	.00	11,000.00
910-14016 CDBG HOUSING-V902	12,504.15	.00	.00	12,504.15
910-14025 CDBG HOUSING-M0801	18,422.00	.00	.00	18,422.00
910-14026 CDBG HOUSING-B0803-0901	34,448.00	.00	.00	34,448.00
910-14030 CDBG HOUSING-HO#13-2016	8,000.00	.00	.00	8,000.00
910-14031 CDBG HOUSING-HO#4	37,795.00	.00	.00	37,795.00
910-14038 CDBG HOUSING-HO#14	18,000.00	.00	.00	18,000.00
910-14039 CDBG HOUSING-HO#15	36,815.00	.00	.00	36,815.00
910-14040 CDBG HOUSING-HO#18	4,235.00	.00	.00	4,235.00
910-14041 CDBG HOUSING-HO#22	.00	.00	6,688.75	6,688.75
910-15000 CAP CAT-SLIPSTREAM-\$102,500	102,500.00	.00	.00	102,500.00
910-15003 CAP CAT-SLIPSTREAM-\$42,000	42,000.00	.00	.00	42,000.00
910-15006 CAP CAT- ROYAL-INVENT-27.5K	27,500.00	.00	.00	27,500.00
910-15011 CAP CAT-ROYAL-SCANALYTICS-95K	97,500.00	.00	.00	97,500.00
910-15012 CAP CAT-ROYAL-INVENTALATOR-75K	77,500.00	.00	.00	77,500.00
910-15018 CAP CAT-RECRUITCHUTE \$51,050	51,050.00 (	51,050.00) (	51,050.00)	.00
910-16008 FACADE-BOWERS HOUSE LLC \$50K	75,000.00 (	2,058.25) (	10,294.94)	64,705.06
910-16009 FACADE-SHABANI INV LLC \$50K	.00 (	136.78)	49,726.90	49,726.90
910-17002 UDAG-SLIPSTREAM-LOC	12,500.00	.00	.00	12,500.00
910-17999 UDAG-LOAN LOSS RESERVE	(12,500.00)	.00	.00 (	12,500.00)
910-18103 CDBG GRANT DUE FROM FD 610	851,866.00 (	851,866.00) (	851,866.00)	.00
910-18350 LAND	446,739.53	.00	34,194.56	480,934.09
910-18360 REAL ESTATE	6,128,544.00	.00	84,863.29	6,213,407.29
TOTAL ASSETS	9,588,315.71 (	996,107.53) (	964,244.26)	8,624,071.45

LIABILITIES AND EQUITY

LIABILITIES

910-22000 ACCUM DEPREC-BUILDING	1,585,394.76	.00	.00	1,585,394.76
910-25100 DUE TO GENERAL FUND	17,176.56	.00 (	17,176.56)	.00
910-26101 DEF REVENUE-FD 610-CDBG	851,866.00 (	851,866.00) (	851,866.00)	.00
TOTAL LIABILITIES	2,454,437.32 (	851,866.00) (	869,042.56)	1,585,394.76

FUND EQUITY

ACTION FUND		ORIGINAL	07/31/2024			08/31/2024	Principal Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-13500	PAUQUETTE CENTER LOAN RECV	\$158,320.00	\$102,870.64	1,289.52	0.00	\$101,581.12	\$56,738.88		Current
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$15,502.11	646.61	51.44	\$14,855.50	\$26,439.13		Current
910-13508	ACTION-FINE FOOD ARTS \$30,000	\$30,000.00	\$30,000.00	0.00	0.00	\$30,000.00	\$0.00		First pymt due 12/15/2022-Certified Demand Letter Sent 12/01/2
910-13509	ACTION-SAFEPRO TECH \$100K	\$104,360.00	\$91,144.70	1,169.10	303.90	\$89,975.60	\$14,384.40		Current
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$40,608.84	615.35	143.40	\$39,993.49	\$14,006.51		Current
910-17002	UDAG-SLIPSTREAM-LOC	\$12,500.00	\$12,500.00	0.00	0.00	\$12,500.00	\$0.00		In Default/Strive On-Still in Business
TOTALS		\$683,770.25	\$292,626.29	\$3,720.58	\$498.74	\$288,905.71	\$241,258.42	\$153,606.12	
910-13999	ACTION LOAN-LOAN LOSS RESERVE		\$0.00	0.00	0.00	\$0.00			
910-17999	UDAG-LOAN LOSS RESERVE		(\$12,500.00)	0.00	0.00	(\$12,500.00)			

FAÇADE LOAN		ORIGINAL	07/31/2024			08/31/2024	Principle Pymts		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	75,000.00	66,763.31	2,058.25	57.35	64,705.06	\$10,294.94		Current
910-16009	FAÇADE-SHABANI INV LLC \$50K	50,000.00	49,863.68	136.78	0.00	49,726.90	\$273.10		New Loan June 2024-First payment July 2024
TOTALS		\$ 75,000.00	\$ 66,763.31	\$ 2,058.25	\$ 57.35	\$ 64,705.06			

CAPITAL CATALYST		ORIGINAL	07/31/2024			08/31/2024	Payments	Amount	NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	
910-15000	CAP CAT-SLIPSTREAM-\$102,500	\$102,500.00	\$102,500.00	0.00	0.00	\$102,500.00	\$6,275.00		interest only-last payment received 10/31/2016
910-15003	CAP CAT-SLIPSTREAM-\$42,000	\$42,000.00	\$42,000.00	0.00	0.00	\$42,000.00	\$0.00		annual net revenue royalty-no payments have been received.
910-15006	CAP CAT- ROYAL-INVENT-27.5K	\$27,500.00	\$27,500.00	0.00	0.00	\$27,500.00	\$500.00		annual net revenue royalty-only payment rec'd 08/26/2020
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	\$97,500.00	\$97,500.00	0.00	0.00	\$97,500.00	\$8,125.27		annual net revenue royalty-only payment rec'd 04/02/2019
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	\$77,500.00	\$77,500.00	0.00	0.00	\$77,500.00	\$1,386.77		First payment received -last payment rec'd 08/26/2020
910-15018	CAP CAT-RECRUITCHUTE \$51,050	\$51,050.00	\$51,050.00	51,050.00	0.00	\$0.00	\$51,050.00		Disolved in 2021
TOTALS		\$601,264.00	\$601,264.00	\$51,050.00	\$0.00	\$347,000.00	\$168,551.04	\$102,000.00	
910-15999	CAP CAT-LOAN LOSS RESERVE		\$0.00						

HOUSING		ORIGINAL	07/31/2024			08/31/2024	NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	
910-14000	CDBG HOUSING-MO301	\$8,220.00	\$8,220.00	0.00	0.00	\$8,220.00	
910-14001	CDBG HOUSING-A8416	\$10,203.84	\$10,203.84	0.00	0.00	\$10,203.84	
910-14003	CDBG HOUSING-B935	\$18,420.02	\$18,420.02	0.00	0.00	\$18,420.02	
910-14006	CDBG HOUSING-C932	\$8,062.00	\$8,062.00	0.00	0.00	\$8,062.00	
910-14009	CDBG HOUSING-J8802	\$10,818.00	\$10,818.00	0.00	0.00	\$10,818.00	
910-14011	CDBG HOUSING-M8501	\$11,000.90	\$11,000.90	0.00	0.00	\$11,000.90	
910-14013	CDBG HOUSING-P954	\$11,000.00	\$11,000.00	0.00	0.00	\$11,000.00	
910-14016	CDBG HOUSING-V902	\$12,504.15	\$12,504.15	0.00	0.00	\$12,504.15	
910-14025	CDBG HOUSING-M0801	\$18,422.00	\$18,422.00	0.00	0.00	\$18,422.00	
910-14026	CDBG HOUSING-B0803-0901	\$34,448.00	\$34,448.00	0.00	0.00	\$34,448.00	
910-14030	CDBG HOUSING-HO#13-2016	\$8,000.00	\$8,000.00	0.00	0.00	\$8,000.00	
910-14031	CDBG HOUSING-HO#4	\$37,795.00	\$37,795.00	0.00	0.00	\$37,795.00	
910-14038	CDBG HOUSING-HO#14	\$14,671.00	\$18,000.00	0.00	0.00	\$18,000.00	
910-14039	CDBG HOUSING-HO#15	\$21,090.00	\$36,815.00	0.00	0.00	\$36,815.00	
910-14040	CDBG HOUSING-HO#18	\$4,235.00	\$4,235.00	0.00	0.00	\$4,235.00	
910-14041	CDBG HOUSING-HO#22	\$6,688.75	\$6,688.75	0.00	0.00	\$6,688.75	
TOTALS		\$235,578.66	\$247,943.91	\$0.00	\$0.00	\$247,943.91	
910-14999	CDBG HOUSING-LOAN LOSS RESERVE		\$0.00				
910-35000	GENERAL LOAN LOSS RESERVE		\$0.00				

New Loan July 2024

Account Name	CDA Operating	Action Bus Dev (UDAG) Checking	Façade Checking	CDBG Housing	Capital Cat Checking
Fund Account Number	Fund 900	Fund 910 xxx-127	Fund 910 xxx-442	Fund 910 xxx-450	Fund 910 xxxxxx3734
Bank	1st Citizens	1st Citizens	1st Citizens	1st Citizens	Associated
Interest Rate	5.56%	5.56%	5.56%	5.56%	2.02%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
GL Balance as of:					
09/30/2023	75,901.75	950,776.77	24,538.32	14,282.17	118,438.81
10/31/2023	60,444.07	959,259.27	24,653.15	14,349.00	118,665.14
11/30/2023	43,163.61	967,501.57	24,761.84	14,362.15	118,884.59
12/31/2023	31,000.08	975,871.43	24,867.75	14,423.58	119,111.77
01/31/2024	36,352.12	967,111.23	24,988.77	14,493.77	119,338.77
02/29/2024	14,882.76	975,482.61	25,095.73	14,555.81	119,551.53
03/31/2024	4,161.30	860,772.65	25,203.20	14,618.14	119,779.36
04/30/2024	41,597.15	868,864.87	28,799.53	14,687.31	120,000.26
05/31/2024	5,443.42	871,263.01	31,053.68	14,754.47	120,228.95
06/30/2024	36,084.72	861,863.31	0.00	14,815.36	120,450.68
07/31/2024	18,600.61	893,135.53	2,516.35	8,229.06	120,654.72
08/31/2024	26,744.27	803,182.07	4,952.84	8,265.72	120,859.11
Outstanding items					
Current Bank Balance	26,744.27	803,182.07	4,952.84	8,265.72	120,859.11
Difference:	0.00	0.00	0.00	0.00	0.00

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

August 2024 Interest Income			
ACTION-BUS DEV-BUS PARK-XXX127	910-11800	3,962.85	August 2024 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	17.90	August 2024 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	36.66	August 2024 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	204.39	August 2024 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(3,962.85)	August 2024 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(17.90)	August 2024 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(36.66)	August 2024 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(204.39)	August 2024 Interest Income



CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	Assignment and Assumption regarding Find Food Arts LLC
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

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

As noted at the last CDA meeting, ED Staff has been working with Dan Rodriguez to get access to what was formally known as the Black Sheep. Staff and Mr. Rodriguez have taken an inventory of what fixtures, appliances, inventory, furniture and miscellaneous items are still in the space (see attached Asset List).

The Asset List was forwarded to legal counsel as they move forward with appropriate legal action. Attorney Olivier Reiher, an associate of Attorney Manthe, specializes in Business Law, Bankruptcy and Creditor’s Rights.

Attorney Reiher moved forward with a draft of an Assignment and Assumption Agreement which is attached to this memo. The summary of the Agreement is that, despite Fine Food Arts LLC d/b/a The Black Sheep having initially accrued the debt, Mr. Rodriguez, who is the sole member of KLD LLC, will take on said debt. Mr. Rodriguez will make payments on said debt until the debt is paid in full. The payments will be amortized over 43 months.

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

At the August 15, 2024 CDA Meeting, EDD Zeinert provided an update on the legal status regarding the loan from the CDA to Fine Food Arts LLC.

FINANCIAL IMPACT
(If none, state N/A)

If this Assignment and Assumption Agreement is executed, the CDA will be receiving payments on a loan that has been in default.

STAFF RECOMMENDATION

Suggested Motion:

Move to approve the Assignment and Assumption Agreement.

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

- Assignment and Assumption Agreement
- Personal Guaranty
- UCC Financing Statement
- Asset List

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the “Agreement”) is made by and between Fine Food Arts LLC, a Wisconsin Limited Liability Company (“Assignor”) and K.L.D. LLC, a Wisconsin Limited Liability Company (“Assignee”), as of the date of the last signature.

RECITALS

Assignor is a party to a loan agreement and promissory note, both dated December 29, 2021 (collectively the “Loan Agreement”) between the Community Development Authority of the City of Whitewater, Wisconsin and Fine Food Arts LLC. Assignor desires to assign all of their right, title, obligations, and interest in in the Loan Agreement to Assignee and Assignee desires to accept such assignment from Assignor.

NOW, THEREFORE, in consideration of the recitals and covenants set forth herein, and for other good and valuable consideration, the parties agree as follows:

1. Assignment and Assumption. Assignor hereby assigns to Assignee all of Assignor’s right, title, obligations, and interest in, to and under the Loan Agreement. Assignee hereby accepts the foregoing assignment. Assignee agrees to accept all past, present or future covenants or obligations which Assignor had, have or may have under the Loan Agreement, on or at any time prior to or after the date hereof and to hold Assignor harmless therefrom.
2. Continued Obligations. Notwithstanding the foregoing, Assignor shall not be released from their obligation and liabilities under the Loan Agreement.
3. Guarantee of Payments. The undersigned Daniel Rodriguez, (“Assignment Guarantor”), for value received and to induce the Community Development Authority of the City of Whitewater, Wisconsin (the “Lender”), to enter in to this assignment and assumption agreement, hereby guarantees: (1) Payment of all sums due or to become due as described in the Loan Agreement as well as any sums the Community Development Authority of the City of Whitewater incurs for the enforcement of the obligations set forth in the Loan Agreement and Loan, and (2) performance of all acts to be accomplished by the assignor and assignee of the Loan Agreement.
4. Personal Guaranty and Financing Agreement. In connection with the execution of this Agreement, Assignment Guarantor shall enter into a Personal Guaranty (the “Guaranty”) of the Loan Agreement in a form substantially similar to the one executed by Assignor and attached to the Loan Agreement. In addition, Assignee shall enter into a financing agreement with Lender in a form substantially similar to one entered into between Assignor and Lender.
5. Payment Terms. Notwithstanding anything to the contrary in the Loan Agreement, principal and interest shall be due and payable (i) in forty-two (42)

equal monthly payments of \$951.72, with the first such installment being due and payable within thirty (30) days of the Assignee opening and operating its restaurant in the building where Assignor operated its restaurant, The Black Sheep (the "Opening Date"), and with subsequent installments being due and payable on the same day of each succeeding month thereafter, plus (ii) a final payment equal to the remaining balance of principal plus interest which shall be due and payable forty-three (43) months from the Opening Date.

6. No Initial Default. Notwithstanding anything to the contrary in the Loan Agreement, so long as the Assignee complies with the provisions of Section 5 above, the Loan Agreement shall be treated as current and shall accrue interest at the non-default rate of five percent (5.0%). Should the Assignee fail to comply with the Section 5 of the Agreement, interest shall accrue at the default rate provided for under the Loan Agreement.
7. Affirmation of Loan Agreement. All terms contained in the Loan Agreement not specifically amended by this Agreement are hereby ratified and shall remain in full force and effect.
8. Miscellaneous. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and may not be amended except by a writing signed by the parties. This Agreement shall be binding upon the parties and their respective heirs, representatives, successors and assigns. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Wisconsin.
9. Counterparts. This Amendment may be executed simultaneously in two or more counterparts, including by electronic image (e.g., .pdf), emailed or by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, provided that all such counterparts, in the aggregate, shall contain the signatures of all parties hereto. To the fullest extent permitted by law, this Amendment may be signed and transmitted electronically (such as by DocuSign or other digital signature) and each document signed electronically shall be treated as an original and shall have the same binding effect as an original signature on an original document.

[Signature Page Follows]

**PERSONAL GUARANTY
(K.L.D. LLC)**

The undersigned, Daniel Rodriguez ("Guarantor"), for value received, and to induce the Community Development Authority of the City of Whitewater, Wisconsin ("Lender") to authorize the assignment and assumption of the loan documents more fully described in the Assignment and Assumption Agreement dated _____, 2024 (the "Assumption Agreement") to K.L.D. 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 loan agreement and promissory note, both dated December 29, 2021 (collectively, the "Obligations") between Fine Food Arts LLC, and the Community Development Authority of the City of Whitewater, as amended by the Assumption Agreement; and
- 2) performance of all acts to be accomplished by the Obligor under the Obligations, as amended by the Assumption Agreement.

Guarantor agrees that Guarantor may be joined in any action or proceeding commenced by Lender against Obligor in connection with or based upon the Obligations 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 Obligations. Guarantor agrees that Lender and Obligor may amend, renew, modify or extend the Obligations 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 Obligations 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 Obligations or any other guarantor of the Obligations, 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 Obligations 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 Obligations subject to this Guaranty is the indebtedness evidenced by a note or agreement payable to Lender dated December 29, 2021 executed by Fine Food Arts, LLC in the principal amount of \$31,810.00 and the obligations of Fine Food Arts, LLC under and/or provided for in the Loan Agreement dated December 29, 2021, between Fine Food Arts, LLC 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, which were assigned to and assumed by Obligor pursuant to, and modified by, the Assumption Agreement.

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 preempted 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 Obligations and until the Obligations are paid in full and fully performed independently and without reliance on Lender continue to make such determinations.

The undersigned, Daniel Rodriguez, hereby warrants and represents to the Community Development Authority of the City of Whitewater, Wisconsin that he resides at _____.

[Signature Page Follows]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
Community Development Authority of the City of Whitewater, Wi

B. E-MAIL CONTACT AT SUBMITTER (optional)
bmiller@whitewater-wi.gov

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Community Development Authority of the City of Whitewater, Wisconsin
 312 W. Whitewater St.
 P.O. Box 178**

SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Print

Reset

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
K.L.D LLC

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS

210 W. Whitewater St.	CITY Whitewater	STATE WI	POSTAL CODE 53190	COUNTRY USA
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2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS

	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Whitewater Community Development Authority

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS

312 W. Whitewater St.	CITY Whitewater	STATE WI	POSTAL CODE 53190	COUNTRY USA
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4. COLLATERAL: This financing statement covers the following collateral:

All equipment, fixtures, inventory, documents (including electronic documents), general intangibles, accounts, deposit accounts (unless a security interest would render a nontaxable account taxable and excluding any deposit account used for the sole purpose of making payroll and withholding tax payments and other employee wage and benefits payments and accrued and unpaid employee compensation payments, and any deposit account used solely as an escrow, fiduciary or trust account), contract rights, chattel paper (whether tangible or electronic), patents, trademarks and copyrights (and the good will associated with and registrations and licenses of any of them), instruments, letter of credit rights and investment property, now owned or hereafter acquired by Debtor (or by Debtor with spouse); all additions and accessions to, and all spare and repair parts, special tools, equipment and replacements for, all software used in, all returned or repossessed goods the sale of which gave rise to, and all accounts arising from the least of, all of the foregoing; and all proceeds, supporting obligations, and products of all of the foregoing ("Collateral"), wherever located, to secure all debts, obligations and liabilities to Lender arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Lender to any Debtor, or any Borrower, to any of them and another, or to another guaranteed or endorsed by any of them ("Obligations").

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box: Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

	A	B	C	D	E	F
1	ASSET LISTING - RODRIGUEZ - Premises at 210 W. Whitewater St.					
2						
3	ITEM	DESCRIPTION	Units	Purchased	Value (New)	Est. Value
4	Chairs	Padded chairs in Bar	4		35	140
5	Barstools		12		29	348
6	Wood Desk		1		45	45
7	Bar Sink	3-compartment	1		225	225
8	Bar Glassware (Misc.)	Misc. Set/more than one glass	1			225
9	True Refrigerator	Back Bar 72-inch fridge (purchased 2015)	1	7/7/1905	3200	750
10	Wine Refrigerator		1			25
11	Bunn Coffee Maker	Bar Version (not one of the catering ones)	1			175
12	Springmaster Coffee Grinder		1		1000	125
13	Antique Tool Drawer	Host Stand	1			400
14	Wood Chairs		23		25/unit	575
15	Cloth Chairs		3		18	54
16	Mirrors	Décor in Back Room	1		175	175
17	Dining Room Wood Chairs	Black	10		5	50
18	Tables	Two-Top	7		35	245
19	Tables	Four-Top	8		45	360
20	Mirror Décor	Bathroom	1		45	45
21	Patio Planters	Outdoor (with chains)				250
22	Gas Convection Oven	Baker's Pride		3/1/2015	2488	750
23	Broiler	Above Monague	1		1429	300
24	HD Range 36" 6-burner	Monague Model 136-5	1	1/6/2017	7048	1409
25	Avanico Fryer		1	7/1/2015	579	225
26	Electric Meat Smoking Oven		1			550
27	Hobart Commercial Mixer	Kitchen-Aid 8-quart	1	3/27/2015	550	175
28	Insignia Freezer	NS-UZ21WHO	1	4/1/2020	799	450
29	Double Sink	Stainless Steel	1		275	75
30	Ice Bin		1			125
31	Wareforce Dishwasher	With sprayer & 2 tables	1	7/27/2013	3280	750
32	Three Compartment Res Sink		1		392	175
33	48" refrig sandwich table		1	1/1/2020	1999	850

	A	B	C	D	E	F
3	ITEM	DESCRIPTION	Units	Purchased	Value (New)	Est. Value
34	Stainless Steel Work Tables		8	12/1/2019		45
35	Avanico Chest Freezer		2	8/25/2014	80/unit	160
36	Hood & Air Makeup System	12-foot	1			2800
37	Serving pieces	Plates, cups, bowls & flatware				455
38	Bunn/speed rack		5			55
39	Res. Food Storage Bins	Metal & plastic	3			120
40	Stainless Steel Racking		6			35
41	Service utensils & silverware	catering				425
42	Stainless Steel Cart		1			45
43	Baking & Sheet Pans	Purchased at auction				795
44	Pots & Pans					455
45	Misc. Pans, Tools & Smallware					1200
46	Laundry Room Rack		1			50
47	LG Combo Washer/Dryer	LG Model #WM3488HW	1	2/1/2021	1198	700
48	LBVentless Dryer	LG-DLEC888W	1	2/1/2021	799	495
49	Shelving & Storage	Basement Storage Room A	13		25	325
50	Dunage Racking		9		20	180
51	File Cabinets		10		5	50
52	Racking	In two catering storage rooms				225
53	CATERING SUPPLIES	China Serving Platters	28		4	128
54		Bar Taster Glasses	126			95
55		Bunn catering coffee brewer	1			75
56		Bunn air pot	6			125
57		Generic air pods	6		12	72
58		Bunn coffee maker	1		900	200
59		Stainless Steel Creamer Dispensers	9		5	45
60		Bunn coffee maker & eco	1			50
61		Large Oval Banquet Serving Trays	9		5	45
62		Electric Ice Cream Maker	1			50
63		Food transportation hop holding box	6			150
64		Large Catering Roll Top Warmers	8			360
65		Stainless steel coffee dispenser	1		20	0

	A	B	C	D	E	F
3	ITEM	DESCRIPTION	Units	Purchased	Value (New)	Est. Value
66		Catering Coolers	8			120
67		Catering portable fryer	3		35	105
68		Catering Induction Burner	7		25	175
69		Small rolltop warners	7		25	175
70		Clear drink Dispensers	4		25	100
71		Decorative Ice Bins	6	1/9/1900		54
72		Misc. jars & mixing bowls	52		1	52
73		Wood trays	8		5	40
74		Rolltop holding warmer			25	0
75		8-Foot Banquet Tables	4		25	100
76		6-Foot Banquet Tables	4		15	60
77		Sheep Dinner Plates	295	7/28/2021		369
78		Wide Rim Dinner Plates	48			36
79		Wide Rim Soup Bowls	96			72
80		Dinner Soup Bowl	24			6
81		Appetizer plates	418			293
82		Dinner Forks	285			29
83		Appetizer Forks	490			49
84		Dinner Knives	260			39
85		Demitase Spoons	260			39
86		Soup Spoons	97			10
87		Regular Spoons	120			12
88		Chinese Spoons	280			48
89		Shot Glasses 2 ounce	265			93
90		Metal Pitchers	6			27
91		Mini Mason Jar	275			83
92		Clear Flip Top Glass Water Bottle	18			41
93		Coffee Cups -Short Wide	67			60
94		Coffee cups - tall slim	88			85
95		Wine glasses	320			400
96		Stemless Champaign Flutes	36			9
97		Stemmed Champaign Flutes	68			34

	A	B	C	D	E	F
3	ITEM	DESCRIPTION	Units	Purchased	Value (New)	Est. Value
98		Collins Glass	318			159
99		Pint Glass	225			90
100		Joes Metal Dispenser	4			100
101		Martini Glass	46			36
102		5 oz. beer flute glass	96			24
103		Wood Planks	72			162
104		Cake Stands	4			34
105		Catering Serving spoon	96			48
106		Catering serving tongs	58			55
107		Catering Ladel 1-2 ounce	36			9
108		Catering pie server	48			12
109		Bamboo Bowls	12			38
110		8" Woven Wood Bowl	24			6
111		10" Woven Wood Bowl	76			38
112		14" Woven Wooden Bowls	48			26
113		Small Silver Serving Platter	1			18
114		Large Silver Platter	1			10
115		Silver Metal Ice Bucket	1			12
116		Short Silver Metal Ice Bucket	1			18
117		White Metal Ice Bucket	1			8
118		Polishing Linens	56			4
119		Kitchen Rags	68			5
120		Buss Pans	14			14
121		Ladle	42			17
122		Metal Grill Spatula	8			2
123		Toaster Over w/racks & 2 half pans	4			20
124		20 lb propane tank	7			35
125		Butain individual burners	6			30
126		Square terminal mobile	2		300/each	250
127		Stationary square + lpad	2		396/each	250
128		Star TSP 100 future PRNt	4		350/each	300
129		Star SP700	2		275/each	110

	A	B	C	D	E	F
3	ITEM	DESCRIPTION	Units	Purchased	Value (New)	Est. Value
130	TOOLS	Milwaukee 14.4 volt power plus drill	1		160/each	25
131		Amarine Made Water System Pump	1			60
132		Yone 180W heat gun	1		20/each	15
133		Greenworks weed wacker	1		170	25
134		Craftsman 150-pc mechanics tool set	1		210	40
135		Black & Decker 20v drill	1		50	15
136		Bostitch 18v drill	2		100	70
137		Masterforce 2 speed hammer drill	1		100	35
138		Black & Decker drill piece set	1			27
139		Misc. Drill Bit Sets	4			20
140		Bosch 1380 Slim	1		147	45
141		Hitachi Angle Grinder	1		140	22
142	ELECTRONICS	Camera Syste 3 Outdoor 6 Indoor				195
143		Canon MF8641CW Printer				20
144		High Top Bas	3			45
145		Outdoor patio tables	3			45
146		End Tables	3			45
147		TOTAL:				\$ 25,559

Date: August 13, 2024

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

From: Rachelle Blitch, Financial and Administrative Services Director

Re: Inventalator Loan Investigation

We have been diligently working over the past few months to address the outstanding loans. Inventalator is the final account to be reviewed. Below, I have outlined the background, my findings, and recommendations.

Background

On December 22, 2014, Inventalator was issued a capital catalyst loan of \$27,500. This loan was secured by a promissory note (**Exhibit 1**) and a general business security agreement (**Exhibit 2**). The terms of the agreement were as follows: a 5-year loan with an interest rate of 4%, with all principal and interest due upon maturity on December 22, 2019. Annual payments were required on the anniversary date, based on the applicable percentage of the prior four quarters' net revenues, and the submission of annual financial statements was also required. On April 8, 2016, Inventalator received a second capital catalyst loan of \$77,500, secured by a promissory note (**Exhibit 3**) with the same terms as the first loan and a maturity date of April 8, 2021.

Findings

1. On December 22, 2015, the first annual payment and financial report were due but were not received. A memo (**Exhibit 4**) from Executive Director Pat Cannon to the CDA Seed Capital Screening Committee, dated January 16, 2016, notes that Inventalator was applying for a second capital catalyst loan of \$75,000. While the memo references the previous loan and grant, it does not mention that the original loan was in default.
2. On April 8, 2016, an amended and restated secured promissory note (**Exhibit 5**) was executed for the \$27,500 loan that was in default. At this time, no payments or financial reports had been received, and the maturity date of the original agreement remained unchanged.
3. On August 10, 2018, a demand letter (**Exhibit 6**) was sent to Inventalator, stating that the company was in default for failing to make annual payments and submit financial statements.
4. On August 23, 2018, an email response (**Exhibit 7**) was received from Inventalator's CEO, Coby Skonord. The email outlined the steps the company planned to take to ensure the loan remained current. A payment of \$886.77 was received, with an assurance from Mr. Skonord that the full note and all accrued interest would be paid by the original due date. Financial statements (**Exhibit 8**) for the years 2014 through the second quarter of 2018 were also attached.

5. On August 26, 2020, a memo (**Exhibit 9**) from Economic Development Director Cathy Anderson to Inventalator's CEO acknowledged two payments of \$500 each toward their outstanding loans. Additionally, the maturity date of the \$27,500 loan was extended to February 1, 2021. Financial statements for 2019 (**Exhibit 10**) were included.
6. A memo (**Exhibit 11**), dated August 10, 2021, from Economic Development Director Cathy Anderson to Inventalator's CEO, stated that the CDA agreed to defer the loans. The maturity date for loan 910-15006 (\$27,500) was deferred to February 1, 2022, and for loan 910-15012 (\$77,500) to August 1, 2022. No further communication has been received.

Recommendations

It would be prudent to have the attorney assess the feasibility and means of pursuing collection. The company remains operational, and I have ordered their 2023 financial documents from the DFI website to evaluate their ability to repay the outstanding loans. The current principal for loan 910-15006 is \$27,500, with accrued interest of \$18,061.10, bringing the total amount due to \$45,561.10. The current principal for loan 910-15012 is \$77,500, with accrued interest of \$42,639.50, totaling \$120,139.50. Interest was calculated at 4% through the dates specified in Exhibit 11, and at 15% thereafter.

SECURED PROMISSORY NOTE

\$27,500.00

Whitewater, Wisconsin
December 22, 2014

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of TWENTY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$27,500.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on December 22, 2019 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

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

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

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

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

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

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

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

(i) this Note duly executed by the Maker;

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

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

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

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

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

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

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

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

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

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

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

7. Remedies.

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

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

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

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

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

9. Future Convertibility. For the avoidance of doubt, prior to the occurrence of both (x) the Series A Round and (y) either (i) or (ii) in the following sentence, this Note shall not be convertible. Upon the occurrence of both (x) the Series A Round and (y) either (i) any assignment by Lender of this Note, any such assignment which shall be exempt from the

registration requirements of the Securities Act of 1933, as amended, and shall not cause the offering pursuant to which Lender originally acquired the Note to be ineligible for an exemption from such registration requirements as a condition thereto, or (ii) the date on which the original Lender becomes legally permitted to hold equity securities, this Note shall have the conversion rights as follows.

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the "Shares")

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

(c)

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

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

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

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

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

11. Waiver of Jury Trial. **THE MAKER HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE. THE MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE MAKER AND THE LENDER TO ENTER INTO**

THIS NOTE, THAT THE MAKER AND THE LENDER HAVE RELIED ON THE WAIVER IN ENTERING INTO AND MAKING THE ADVANCES EVIDENCED UNDER THIS NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE MAKER FURTHER WARRANTS AND REPRESENTS THAT THE MAKER HAS REVIEWED THIS WAIVER WITH, OR HAS BEEN GIVEN THE OPPORTUNITY TO REVIEW THIS WAIVER WITH, ITS LEGAL COUNSEL, AND THAT THE MAKER KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

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

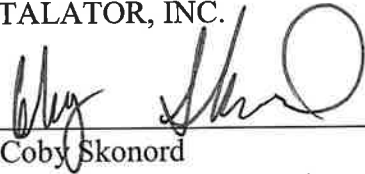
13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note.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

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

[Remainder of page intentionally left blank]

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

INVENTALATOR, INC.

By: 
Name: Coby Skonord
Title: President, Secretary, and Treasurer

SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.

GENERAL BUSINESS SECURITY AGREEMENT

Dated December 22, 2014

1. SECURITY INTEREST

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

2. DEBTOR'S WARRANTIES

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

- (a) **Ownership and use.** Debtor owns (or with spouse owns) the Collateral free of all encumbrances and security interests (except Lender's security interest). Chattel paper constituting Collateral evidences a perfected security interest in the goods (including software used in the goods) covered by it, free from all other encumbrances and security interests, and no financing statement is on file or control agreement in existence (other than Lender's) covering the Collateral or any of it. Debtor, acting alone, may grant a security interest in the Collateral and agree to the terms of this Agreement. The Collateral is used or bought for use primarily for business purposes.
- (b) **Sale of goods or services rendered.** Each account and chattel paper constituting Collateral as of this date arose from the performance of services by Debtor or from a bona fide sale or lease of goods, which have been delivered or shipped to the account debtor and for which Debtor has genuine invoices, shipping documents or receipts.
- (c) **Enforceability.** Each account, contract right and chattel paper constituting Collateral as of this date is genuine and enforceable against the account debtor according to its terms. It and the transaction out of which it arose comply with all applicable laws and regulations. The amount represented by Debtor to Lender as owing by each account debtor is the amount actually owing and is not subject to setoff, credit, allowance or adjustment, except discount for prompt payment, nor has any account debtor returned the goods or disputed liability.
- (d) **Due date.** There has been no default as of this date according to the terms of any chattel paper or account constituting Collateral and no step has been taken to foreclose the security interest it evidences or otherwise enforce its payment.
- (e) **Financial condition of account debtor.** As of this date Debtor has no notice or knowledge of anything which might impair the credit standing of any account debtor and Debtor will advise Lender upon receipt of any such notice or knowledge affecting Collateral.
- (f) **Valid organization.** If a corporation, limited liability company or general or limited partnership, Debtor is duly organized, validly existing and in good standing under the laws of the state of organization and is authorized to do business in Wisconsin.
- (g) **Other agreements.** Debtor is not in default under any agreement for the payment of money.
- (h) **Authority to contract.** The execution and delivery of this Agreement and any instruments evidencing Obligations will not violate or constitute a breach of Debtor's articles of incorporation or organization, by-laws, partnership agreement, operating agreement or any other agreement or restriction to which Debtor is a party or is subject.
- (i) **Accuracy of information.** All information, certificates or statements given to Lender pursuant to this Agreement shall be true and complete when given.
- (j) **Name and address.** Debtor's exact legal name is as set forth below Section 12. If Debtor is an individual, Debtor separately provided to Lender the name of Debtor as it is indicated on Debtor's current unexpired driver's license or, if applicable for UCC financing statements, identification card issued by Debtor's state of principal residence, and the address of Debtor's principal residence is as set forth below Section 12. If Debtor is an organization that has only one place of business, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of Debtor's chief executive office, is as set forth below Section 12.
- (k) **Location.** The address where the Collateral will be kept, if different from that appearing below Section 12, is

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

- (l) **Organization.** If Debtor is an organization, the type of organization and the state under whose law it is organized are as set forth below Section 12.
- (m) **Environmental laws.** (i) No substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about any real estate now or at any time owned or occupied by Debtor ("Property") during the period of Debtor's ownership or use of the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or some other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"), (ii) Debtor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property, (iii) without limiting the generality of the foregoing, Debtor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components (PCBs) or underground storage tanks, (iv) there are no conditions existing currently or likely to exist during the term of this Agreement which would subject Debtor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claim relating to any Hazardous Substance, (v) Debtor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance, and (vi) Debtor in the past has been, at the present is, and in the future will remain in compliance with all Environmental Laws. Debtor shall indemnify and hold harmless Lender, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of, or based upon (1) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (2) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from Property, or (3) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Debtor shall immediately notify Lender in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance described above on, in, under or about the Property.
- (n) **Employees.** There are no unpaid wages due employees of Debtor and there are no outstanding liens against assets of Debtor for unpaid wages due employees of Debtor.
- (o) **Fixtures.** If any of the Collateral is affixed to real estate, the legal description of the real estate set forth in each UCC Financing Statement signed or authorized by Debtor is true and correct.

3. SHIPPERS

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

4. SALE AND COLLECTIONS

- (a) **Sale of Inventory.** So long as no default exists under any of the Obligations or this Agreement, Debtor may (a) sell inventory in the ordinary course of Debtor's business for cash or on terms customary in the trade, at prices not less than any minimum sale price shown on instruments evidencing Obligations and describing inventory, or (b) lease or license inventory on terms customary in the trade.
- (b) **Verification and notification.** Lender may verify Collateral in any manner, and Debtor shall assist Lender in so doing. Upon default Lender may at any time and Debtor shall, upon request of Lender, notify the account debtors or other persons obligated on the Collateral to make payment directly to Lender and Lender may enforce collection of, settle, compromise, extend or renew the indebtedness of such account debtors or other persons obligated on the Collateral. Until account debtors or other persons obligated on the Collateral are so notified, Debtor, as agent of Lender, shall make collections and receive payments on the Collateral.
- (c) **Deposit with Lender.** At any time Lender may require that all proceeds of Collateral received by Debtor shall be held by Debtor upon an express trust for Lender, shall not be commingled with any other funds or property of Debtor and shall be turned over to Lender in precisely the form received (but endorsed by Debtor if necessary for collection) not later than the business day following the day of their receipt. Except as provided in Section 4(d) below, all proceeds of Collateral received by Lender directly or from Debtor shall be applied against the Obligations in such order and at such times as Lender shall determine.
- (d) **Accounting.** If the extent to which Lender's security interest in the Collateral is a purchase money security interest depends on the application of a payment to a particular obligation of Debtor, the payment shall first be applied to obligations of Debtor for which Debtor did not create a security interest in the order in which those obligations were incurred and then to obligations of Debtor for which Debtor did create a security interest, including the Obligations secured by the Collateral, in the order in which those obligations were incurred; provided, however, that Lender shall retain its security interest in all Collateral regardless of the allocation of payments.

ADDITIONAL PROVISIONS

5. DEBTOR'S COVENANTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. RIGHTS OF LENDER

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

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

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

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

7. DEFAULT

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

(a) Nonperformance. Any of the Obligations are not paid when due, or Borrower or Debtor, as applicable, fails to perform, or rectify breach of, any warranty or covenant or other undertaking in this Agreement or in any evidence of or document relating to the Obligations or an event of default occurs under any evidence of or document relating to any other obligation secured by the Collateral;

(b) Inability to Perform. Borrower, Borrower's spouse, Debtor or a guarantor or surety of any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;

(c) Misrepresentation. Any warranty or representation made to induce Lender to extend credit to Debtor or Borrower, under this Agreement or otherwise, is false in any material respect when made; or

(d) Insecurity. At any time Lender believes in good faith that the prospect of payment or performance of any of the Obligations or performance under any agreement securing the Obligations is impaired;

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

(e) Repossession. Lender may take possession of Collateral without notice or hearing, which Debtor waives;

(f) Assembling collateral. Lender may require Debtor to assemble the Collateral and to make it available to Lender at any place reasonably designated by Lender;

(g) Notice of disposition. Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice;

(h) Expenses and application of proceeds. Debtor shall reimburse Lender for any expense incurred by Lender in protecting or enforcing its rights under this Agreement, before and after judgment, including, without limitation, reasonable attorneys' fees and legal expenses (including those incurred in successful defense or settlement of any counterclaim brought by Debtor or incident to any action or proceeding involving Debtor brought pursuant to the United States Bankruptcy Code) and all expenses of taking possession, holding, preparing for disposition and disposing of Collateral (provided, however, Lender has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Lender shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it elects or as otherwise required by this Agreement. If Lender sells any Collateral on credit, Debtor will be credited only with payments that the purchaser actually makes and that Lender actually receives and applies to the unpaid balance of the purchase price of the Collateral; and

(i) Waiver. Lender may permit Debtor or Borrower to remedy any default without waiving the default so remedied, and Lender may waive any default without waiving any other subsequent or prior default by Borrower or Debtor. Lender shall continue to have all of its rights and remedies under this Agreement even if it does not fully and properly exercise them on all occasions.

8. WAIVER AND CONSENT

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

9. INTERPRETATION

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

10. PERSONS BOUND

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

11. ENTIRE AGREEMENT

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

12. OTHER PROVISIONS

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

INVENTALATOR, INC. (SEAL)

DEBTOR

(SEAL)

DEBTOR

Address: 260 EAST HIGHLAND AVENUE, SUITE 500 SEE SECTION 2(j) and (k)

MILWAUKEE, WISCONSIN 53202

(CORPORATION) TYPE OF ORGANIZATION

(WISCONSIN) STATE OF ORGANIZATION

By: [Signature]

(President, Secretary, and Treasurer) TITLE

* Coby Skonord

By:

() TITLE

*

*Type or print name signed above.

SECURED PROMISSORY NOTE

\$77,500.00

Whitewater, Wisconsin
April 8, 2016

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the "Maker"), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the "Lender"), the principal sum of SEVENTY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$77,500.00) (the "Loan"), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. The term of this Secured Promissory Note (this "Note") shall be five (5) years, with all unpaid principal and interest due and payable on April 8, 2021 (the "Maturity Date"). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

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

(b) On each annual anniversary date of the date of this Note (or if such anniversary date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the "Applicable Percentage") of the Maker's net revenues for the four fiscal quarters most recently ended ("Revenues"), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

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

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

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of December 22, 2014, by the Maker in favor of the Lender (the "Security Agreement"). The Maker acknowledges and agrees that the Security Agreement is fully enforceable against the Maker strictly in accordance with its terms. The Maker hereby ratifies and reaffirms the Security Agreement and acknowledges and agrees that the liens created by the Security Agreement are valid, effective, properly perfected, and enforceable first-priority liens. The Maker hereby reaffirms the grant of all liens to which it has previously granted to the Lender.

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

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

(i) this Note duly executed by the Maker;

(ii) the Amended and Restated Secured Promissory Note of even date herewith in the principal amount of \$27,500.00 (the "A&R Note"), duly executed by the Maker payable to the order of the Lender; and

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

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

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

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

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

(c) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(d) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(e) offer a minimum discount of 35% off all services provided to tenants of the Whitewater University Technology Park and the Whitewater Business Park, each located in Whitewater, Wisconsin.

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

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

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

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

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

7. Remedies.

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

the occurrence of an Event of Default under Section 6(c) or Section 6(d), the entire amount of unpaid principal and accrued and unpaid interest under this Note automatically shall become immediately due and payable.

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

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

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

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

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

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual

valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the “Shares”)

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

(c)

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

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

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

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

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

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

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

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

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


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

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

[Remainder of page intentionally left blank]

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

INVENTALATOR, INC.

By: 
Name: Coby Skonord
Title: President, Secretary, and Treasurer

SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.

MEMORANDUM

To: Whitewater Community Development Authority
Seed Capital Screening Committee

CC: Cameron Clapper
Tom Harrigan

From: Patrick Cannon
Executive Director

Re: Capital Catalyst Royalty Loan
Inventalator

Date: January 16, 2016

Enclosed please find an application for a Capital Catalyst Loan request for Inventalator, Inc. They currently have both a Capital Catalyst Royalty Investment for \$25,000. They had previously received a Capital Catalyst grant of \$10,000. This request is for \$75,000.

This is the second application for Inventalator. They were previously awarded the grant and loan in November, 2014. Since that time, the company has "pivoted" from their original plan. In response to feedback they received, the original plan of a consumer to consumer platform has been expanded to be a business to business platform. This larger market has shown a great potential for long term growth.

With the expanded business plan, the company will be looking to expand its work force over the next several years. Their projections are for 20 new positions over the next three years.

Please let me know if you have any questions.

AMENDED AND RESTATED SECURED PROMISSORY NOTE

\$ 27,500.00

Whitewater, Wisconsin
December 22, 2014
as amended and restated on April 8, 2016

FOR VALUE RECEIVED, INVENTALATOR, INC., a Wisconsin corporation (the “Maker”), hereby promises to pay to the order of COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN (together with its successors and assigns, the “Lender”), the principal sum of Twenty Seven thousand Five hundred DOLLARS (\$27,500.00) (the “Loan”), together with all accrued and unpaid interest on the principal amount outstanding from the date hereof until paid in full, at such location as the Lender shall specify to the Maker.

1. Interest Rate and Payments. All unpaid principal and interest shall be due and payable under this Secured Promissory Note (this “Note”) on December 22, 2019 (the “Maturity Date”). All payments of principal and accrued interest shall be made in lawful currency of the United States of America as follows:

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

(b) On December 22 of each year during the term of this Note (or if such date is not on a business day, the next succeeding business day), the Maker shall make a payment of principal and interest in an amount equal to the applicable percentage (the “Applicable Percentage”) of the Maker’s net revenues for the four fiscal quarters most recently ended (“Revenues”), as more fully described on Schedule 1 to this Note, with a final payment of all outstanding principal, accrued and unpaid interest, and all other amounts due and owing hereunder, if any, due on the Maturity Date. If Maker shall prepay the Note prior to the end of the fiscal year, than such payment shall be pro-rated on a per diem, 365-day year basis.

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

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

3. Security. This Note is secured by the assets of the Maker as provided in that certain General Business Security Agreement dated as of December 22, 2014, by the Maker in favor of the Lender (the "Security Agreement"). The Maker acknowledges and agrees that the Security Agreement is fully enforceable against the Maker strictly in accordance with its terms. The Maker hereby ratifies and reaffirms the Security Agreement and acknowledges and agrees that the liens created by the Security Agreement are valid, effective, properly perfected, and enforceable first-priority liens. The Maker hereby reaffirms the grant of all liens to which it has previously granted to the Lender.

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

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

(i) this Note duly executed by the Maker;

(ii) the Secured Promissory Note of even date herewith in the principal amount of \$77,500.00 (the "New Note"), duly executed by the Maker payable to the order of the Lender; and

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

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

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

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

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

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

(d) promptly upon formation or acquisition of any subsidiary after the date hereof, cause such newly formed or acquired subsidiary to become a guarantor of the Maker's obligations under this Note by executing a guaranty and to secure such guaranty by granting the Lender a security interest in all assets of such subsidiary by executing a security agreement, as the Lender may require, and the Maker shall also deliver to the Lender, or cause such subsidiary to deliver to the Lender, such other instruments, documents, and certificates required by the Lender; and

(e) offer a minimum discount of 35% off all services provided to tenants of the Whitewater University Technology Park and the Whitewater Business Park, each located in Whitewater, Wisconsin.

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

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

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

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

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

7. Remedies.

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

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

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

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

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

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

(a) All of the outstanding principal balance and accrued but unpaid interest under this Note shall be convertible, at the option of the holder thereof, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Series B Nonvoting Common Stock shares or other class of stock issued in conjunction with the Maker's first offering of its equity securities in which the gross proceeds from such offering equal or exceed \$1,000,000 (the "Series A Round") as is determined by the stipulated valuation, actual valuation, or stipulated valuation cap agreed to by Maker and the investors in such Series A Round. (such Series B shares or such other class of shares, the "Shares")

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

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

(c)

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

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

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

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

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

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

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

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

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

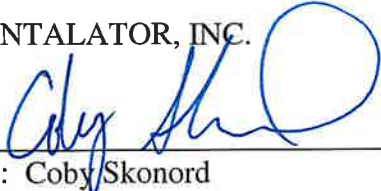
14. Further Assurance. From and after the date of this Note, each party agrees that it shall execute and deliver such document and take such action as may be reasonably requested by the other party to carry out the purposes and the transactions contemplated hereby.

15. Restatement. This Note is an amendment and restatement of that certain Secured Promissory Note dated December 22, 2014, executed by the Maker and payable to the order of the Lender in the original principal amount of \$27,500 (the "Prior Note") and evidences a continuation of the indebtedness evidenced by the Prior Note. The Maker hereby acknowledges and agrees that such indebtedness has not been repaid or extinguished and that the execution hereof does not constitute a novation of the Prior Note. Moreover, this Note shall be entitled to all security and collateral to which the Prior Note was entitled, without change or diminution in the priority of any lien or security interest granted to secure the Prior Note.

[Remainder of page intentionally left blank]

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

INVENTALATOR, INC.

By: 
Name: Coby Skonord
Title: President, Secretary, and Treasurer

SCHEDULE 1

Level	Revenues	Applicable Percentage	Payment Amount
1	\$1 to \$500,000	1.00%	Level 1
2	\$500,001 to \$1,000,000	1.50%	Sum of Levels 1 and 2
3	\$1,000,001 to \$1,500,000	2.00%	Sum of Levels 1 though 3
4	\$1,500,001 to \$2,000,000	2.50%	Sum of Levels 1 though 4
5	\$2,000,001 to \$2,500,000	3.00%	Sum of Levels 1 though 5
6	\$2,500,001 to \$3,000,000	3.50%	Sum of Levels 1 though 6
7	\$3,000,001 to \$3,500,000	4.00%	Sum of Levels 1 though 7
8	\$3,500,001 to \$4,000,000	4.50%	Sum of Levels 1 though 8
9	Greater than or equal to \$4,000,001	5.00%	Sum of Levels 1 though 9

As an example for illustrative purposes only, if the Maker's Revenues are \$1,250,000, the payment amount would be as follows: the sum of (a) \$500,000 multiplied by 1.00% (total \$5,000), plus (b) \$500,000 multiplied by 1.50% (total \$7,500), plus (c) \$250,000 multiplied by 2.00% (total \$5,000) = \$17,500.



EXHIBIT 4 Item 4.

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

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

August 10, 2018

COPY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Inventalator, Inc.
Attn: Coby Skonord
N31W23591 Rough Hill Road
Pewaukee, WI 53072

Re: Inventalator, Inc. \$27,500.00.00 Secured Promissory Note Dated December 22, 2014, as Amended and Restated April 8, 2016

Inventalator, Inc. \$77,500.00 Secured Promissory Note Dated April 8, 2016

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

Dear Mr. Skonard:

Inventalator, Inc. a/k/a Ideawake (hereinafter "Inventalator") executed and delivered that certain Secured Promissory Note dated December 22, 2014 (hereinafter the "2014 Note") from Inventalator payable to the order of the Community Development Authority of the City of Whitewater, Wisconsin ("Lender") in the principal sum of \$27,500.00, which 2014 Note was Amended and Restated as of April 8, 2016 (hereinafter the "A&R Note"); and on April 8, 2016, Inventalator executed and delivered that certain Secured Promissory Note Dated April 8, 2016 from Inventalator payable to the order of Lender in the principal sum of \$77,500.00 (hereinafter the "New Note") (the A&R Note and the New Note together being hereinafter referred to as the "Notes").

Lender has determined that multiple Events of Default exist under the terms of the Notes as follows:

- A. Inventalator is in default pursuant to the terms and conditions of the A&R Note as a result of the following:

Inventalator, Inc.
Attn: Coby Skonord
August 10, 2018
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1. **Section 1(b) of the A&R Note**– Failure to make annual payments of principal and interest to Lender based on net revenues for the four (4) most recent fiscal quarters pursuant to Section 1b of the A&R Note. Payments were due in 2015, 2016, 2017 and 2018; however, Inventalator has failed to provide any payments, or any documentation that would indicate the extent of any payments due, to Lender.
 2. **Sections 5(a) and 5(b) of the A&R Note** – Failure to provide detailed copies of annual financial statements and quarterly balance sheet statements to Lender as required pursuant to Sections 5(a) and 5(b) of the A&R Note.
- B. Inventalator is in default pursuant to the terms and conditions of the New Note as a result of the following:
1. **Section 1(b)** – Failure to make annual payments of principal and interest to Lender based on net revenues for the four (4) most recent fiscal quarters pursuant to Section 1b of the New Note. Payments were due in 2017 and 2018; however, Inventalator has failed to provide these payments, or any documentation that would indicate the extent of the payment due, to Lender.
 2. **Sections 5(a) and 5(b)** – Failure to provide detailed annual financial statements and quarterly balance sheet statements to Lender as required pursuant to Sections 5(a) and 5(b) of the New Note.

Pursuant to Section 7(a) of the A&R Note, and pursuant to Section 7(a) of the New Note, upon the occurrence of an Event of Default, Lender has the option to, and hereby notifies Inventalator that it exercises its option to, declare the entire outstanding balance of the A&R Note and the New Note, together with interest, to be immediately due and payable. Accordingly, demand is hereby made for payment as follows in full of the outstanding balance principal and accrued interest under the Notes (calculated through August 31, 2018) as follows:

- A. Principal and accrued interest in the sum of **\$31,569.09** under the A&R Note.
- B. Principal and accrued interest in the sum of **\$84,944.08** under the New Note.

Please remit the above payoff balance amounts payable to the Community Development Authority of the City of Whitewater, Wisconsin no later than August 31, 2018 to avoid any interest rate penalties. In the event full payment of all principal and accrued and accruing interest has not been received by August 31, 2018, this matter will be referred to litigation legal counsel for further proceedings. As a reminder, under the terms and conditions of the A&R Note and the New Note, you have also agreed to pay all reasonable fees of Lender to collect the money due from Inventalator under the Notes, including

Inventalator, Inc.
Attn: Coby Skonord
August 10, 2018
Page 3

reasonable attorney fees, and Lender may, at its discretion, apply a 15% per annum interest rate to an outstanding balance due under the Notes.

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

Sincerely,

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF WHITEWATER, WISCONSIN

By: *Dave Carlson / blm*
Dave Carlson, Executive Director

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

Dave Carlson

From: Coby Skonord <coby@ideawake.com>
Sent: Thursday, August 23, 2018 3:19 PM
To: Dave Carlson
Subject: Ideawake <> CDA Compliance & Information
Attachments: Investor Updates.zip; Q1 2018 Financials.pdf; Q2 2018 Financials.pdf; Ideawake Pro Forma Financial Statements - 2014 - 2017.pdf

Dear CDA Counsel Members,

First and foremost, I want to apologize for the delay in coming up to compliance with our note. Please find a detailed explanation of how we're coming up to compliance, how this will be avoided in the future, and how we can setup a better communication channel between Ideawake and the CDA going forward. I will also be attending the meeting tonight in person.

I understand the CDA wanting to be able to deploy capital to new companies, but the desire to do this should not come at the cost of bankruptcy to companies like Ideawake that have had a team of people working for over 5 years to have our vision come to fruition, have 2 Whitewater Alumni as its founders, and are one of the companies that are going to be in a position to pay back the principal on our note on time based on our recent traction.

We've made mistakes in staying current with this note. But, what is alarming to me is that these issues could have been resolved with a 10 minute phone call or email versus attempting to call the principal on our note at a time when we need the capital most.

Coming Up to Compliance

Please find details below bringing us up to compliance on our note:

- I am bringing a check today for our outstanding balance of \$886.77 putting us up to date on annual payments.
- We are working with Mark Johnson to setup a funnel for recruiting and hiring year 4 students as interns since we are finally at a stage of growth to support the recruitment funnel we have desired to build. I'm meeting with John DeGraff next week on Tuesday to begin this process.
- We will be hiring interns during the fall and spring semesters this year with the anticipation of bringing them on full-time after the internship, contingent upon their performance during the internship. Those internships will be hosted in the Whitewater innovation center in the space we've rented since early 2015.
- I have forwarded all of our investor updates since the beginning of 2017 (attached below).
- I have added Dave Carlson to our investor updates list.
- I have attached all our financial statements from the start of our note up to YTD 2018 for the CDA's files.

Our Involvement in Whitewater

Here is our involvement in Whitewater to date:

- Two of our co-founders are Whitewater alumni.
- We spent over one hundred hours custom developing our platform setup to provide an innovation platform to the innovation center at a significantly discounted rate for \$5,000, which was never paid to us after we sent out the invoice.

- Offer a 40% discount to any Whitewater innovation center company on our platform subscription.
- We have banked at First Citizens State Bank since December 2015.
- We have provided internships to Whitewater students.
- We have rented space in the innovation center since the beginning of our original note.
- I have gone and presented to entrepreneurship classes several times between 2015 - 2017.
- I have touted Whitewater's support with my network and in the press for supporting Ideawake through its journey.
- I've sat down with entrepreneurs from Whitewater 1 on 1 to provide guidance and mentorship.

Preventing This in the Future

- Dave is now added to our investor updates.
- As Dave and I did not have a communication channel previously, I suggest setting up a quarterly or bi-annual meeting with Dave to ensure that we are up to compliance with all facets of our agreement.

Our Traction

The recent traction we've gained doesn't happen overnight, it happens after several years of hard work to build a product and infrastructure.

I send you this email now after working for over 24 hours straight setting up 5 new client platforms including Uber, Sargento, ProHealth Care, and Hewlett Packard. With this additional revenue, we'll finally have the resources that we need to start a recruitment funnel in Whitewater.

- We have deals in contracting to hit \$27,000 in monthly recurring revenue.
- Have over \$500,000 in proposals outstanding (attached below).
- Since the Advocate / Aurora merger resulted in 2x the number of employees, we've started working through the upsell for Advocate.
- The Business Journal is picking up the story of the work Aurora and Ideawake have been doing which should go live before end of this month.

People Who Will Vouge For Ideawake

Here are a list of individuals who will vouge for my work ethic, our companies potential, and our dedication to Whitewater:

- Choton Basu
- Mark Johnson
- Jim Caldwell

Next Steps

In order to be able to support the Whitewater community in the short and long-term and not be in threat of bankruptcy, my intent is to pay back the installment of the note in full plus interest on its original due date. If anyone would like to speak before the meeting, you can reach me on my cell phone at (262)352-0907 and I will see you all this evening.

Thanks,
Coby

--

Coby Skonord

INCOME STATEMENT 2014		
Revenue	Amount	%
Service Revenue	\$ 562.42	99.05%
Interest Revenue	\$ 5.39	0.95%
Total Revenue	\$ 567.81	100.00%
Expenses	Amount	%
Subcontractor Expense	\$ 32,392.32	31.89%
Rent Expense	\$ 4,996.20	4.92%
Computer – Hardware	\$ 390.32	0.38%
Computer – Software	\$ 301.94	0.30%
Bank Service Charges	\$ 323.18	0.32%
Subscription Expense	\$ 2,905.00	2.86%
Office Supplies	\$ 1,078.88	1.06%
Utilities	\$ 721.90	0.71%
Meals and Entertainment	\$ 1,758.37	1.73%
Miscellaneous Expenses	\$ 5,298.33	5.22%
Travel Expense	\$ 1,120.32	1.10%
General Admin Expenses	\$ 1,818.33	1.79%
Payroll – Salary & Wages	\$ 32,187.15	31.69%
Accounting Fees	\$ 250.00	0.25%
Legal Fees	\$ 9,500.00	9.35%
Marketing Expense	\$ 4,051.96	3.99%
Professional Fees	\$ 195.00	0.19%
Web Hosting	\$ 1,019.27	1.00%
Vehicle – Fuel	\$ 588.01	0.58%
Vehicle – Repairs & Maintenance	\$ 88.06	0.09%
Parking Expense	\$ 145.13	0.14%
Uncategorized Expense	\$ 22.90	0.02%
Other Vehicle Expenses	\$ 417.48	0.41%
Total Expenses	\$ 101,570.05	100.00%
Net Profit (Loss)	-\$ 101,002.24	

INVENTALATOR INCOME STATEMENT 2015		
Revenue	Amount	%
Sales Revenue	\$ 5,000.00	29.60%
Rental Revenue	\$ 1,890.00	11.19%
Other Revenue	\$ 784.00	4.64%
Contribution Revenue - Grant	\$ 10,000.00	59.21%
Total Revenue	\$ 17,674.00	100.00%
Expenses	Amount	%
Subcontractors Expense	\$ 102,883.39	44.51%
Bad Debt Expense	\$ 5,000.00	2.16%
Rent Expense (uww)	\$ 1,800.00	0.78%
Rent Expense	\$ 12,580.00	5.44%
Computer Hardware	\$ 846.60	0.37%
Computer Software	\$ 405.50	0.18%
Bank Service Charges	\$ 351.93	0.15%
Subscription expense	\$ 8,128.00	3.52%
Office Supplies	\$ 4,094.56	1.77%
Utitilies	\$ 2,583.00	1.12%
Meals and Entertainment	\$ 3,284.84	1.42%
Miscellaneous Expenses	\$ 12,463.62	5.39%
Travel Expense	\$ 2,494.57	1.08%
General Admin Expenses	\$ 3,812.81	1.65%
Payroll Salaries and Wages	\$ 25,437.51	11.01%
Accounting Fees	\$ 538.00	0.23%
Legal Fees	\$ 25,000.00	10.82%
Marketing Expense	\$ 7,263.51	3.14%
Professional Fees	\$ 978.81	0.42%
Hosting	\$ 3,300.00	1.43%
Vehicle - Repairs and Maintenance	\$ 482.50	0.21%
Recruiting Expense	\$ 900.00	0.39%
Vehicle - Fuel	\$ 1,259.50	0.54%
Parking Expense	\$ 800.00	0.35%
Other Vehicle Expenses	\$ -	0.00%
Interest Expense	\$ 1,000.00	0.43%
ODP LOC Bank Expense	\$ 464.64	0.20%
Employer Tax Expense	\$ 2,974.98	1.29%
Total Operating Expenses	\$ 231,128.27	100.00%
Net Profit (Loss)	-\$ 213,454.27	

INVENTALATOR INCOME STATEMENT 2016		
Revenue	Totals	%
Sales Revenue	\$ -	0.00%
Rental Revenue	\$ 6,179.85	100.00%
Other Revenue	\$ -	0.00%
Total Revenue	\$ 6,179.85	100.00%
Operating Expenses	Totals	%
Salaries Expense	\$ 143,840.56	41.34%
Payroll Tax Expense	\$ 12,530.00	3.60%
Insurance	\$ 14,782.56	4.25%
Subcontractor Expense	\$ 71,560.00	20.57%
Marketing	\$ 546.00	0.16%
Office Rent	\$ 23,960.00	6.89%
Parking	\$ 2,415.00	0.69%
UWW Rent	\$ 1,800.00	0.52%
Hosting	\$ 9,155.80	2.63%
Subscription Expense	\$ 10,896.44	3.13%
Office Supplies	\$ 3,988.24	1.15%
Office Equipment Expense	\$ 1,460.72	0.42%
Travel Expense	\$ 15,088.97	4.34%
Heat & Electric	\$ 4,259.72	1.22%
Other Operating Expenses	\$ 12,009.80	3.45%
Total Operating Expenses	\$ 328,293.81	94.36%
Non Operating Expenses	Totals	%
Legal	\$ 15,000.00	4.31%
Accounting	\$ 300.00	0.09%
Interest Expense	\$ 4,100.00	1.18%
Bank Service Charges	\$ 209.74	0.06%
Total Non Operating Expenses	\$ 19,609.74	5.64%
TOTAL EXPENSES	\$ 347,903.55	100.00%
Net Profit / Loss	-\$ 341,723.70	

INVENTALATOR INCOME STATEMENT 2017		
Line Item	Total	%
Income		
Sales Revenue	\$ 66,450.00	99.81%
Interest Revenue	\$ 128.68	0.16%
Total Revenue	\$ 66,578.68	100.00%
COGS - Web Hosting	\$ 8,506.34	12.78%
COGS - Ideabox	\$ 2,322.98	3.49%
Gross Profit	\$ 55,749.36	83.73%
Operating Expenses		
Advertising & Marketing	\$ 16,483.57	4.26%
Contractors	\$ 59,064.08	15.27%
Heat and Electric	\$ 3,813.55	0.99%
Bad Debt Expense	\$ 3,800.00	0.98%
Meals & Entertainment	\$ 8,273.78	2.14%
Office Supplies & Software	\$ 8,087.02	2.09%
Parking Expense	\$ 2,200.00	0.57%
Payroll	\$ 154,632.04	39.96%
Rent & Lease	\$ 32,108.00	8.30%
Subscription expense	\$ 22,198.57	5.74%
Travel	\$ 8,878.07	2.29%
Other Operating Expenses	\$ 9,243.59	2.39%
Witholding & Payroll Tax	\$ 13,236.05	3.42%
Total Operating Expenses	\$ 342,018.32	88.40%
Non Operating Expenses		
Interest Expense	\$ 4,680.82	1.21%
Unaccrued Interest Expense	\$ 394.79	0.10%
Bank Charges & Fees	\$ 509.25	0.13%
Insurance	\$ 18,829.98	4.87%
Legal & Professional Services	\$ 18,579.20	4.80%
Total Non Operating Expenses	\$ 42,994.04	11.11%
Total Expenses	\$ 386,918.70	100.00%
Net Income	-\$ 329,263.00	

Inventalator Pro Forma Balance Sheet				
ASSETS	2014	2015	2016	2017
Cash on Hand	\$ 23,246.64	\$ 150,054.00	\$ 134,330.30	\$ 103,617.91
A/R	\$ -	\$ -	\$ 3,100.00	\$ 45,550.00
Total Assets	\$ 23,246.64	\$ 150,054.00	\$ 137,430.30	\$ 149,167.91
LIABILITIES				
Royalty Note Payable	\$ -	\$ 25,000.00	\$ 100,000.00	\$ 105,000.00
Convertible Note - gener8tor	\$ -	\$ -	\$ -	\$ 70,000.00
Convertible Note - Brightstar	\$ -	\$ -	\$ -	\$ 50,000.00
ODP LOC	\$ 464.64	\$ -	\$ -	\$ -
Contractor Payable - Development	\$ -	\$ -	\$ -	\$ 6,600.00
Unearned Revenue	\$ -	\$ -	\$ -	\$ 9,325.00
Interest Payable	\$ -	\$ -	\$ 4,100.00	\$ 9,175.61
Total Liabilities	\$ 464.64	\$ 25,000.00	\$ 104,100.00	\$ 250,100.61
STOCKHOLDER'S EQUITY				
Common Stock	\$ 1,251.00	\$ 8,733.51	\$ 10,080.27	\$ 11,788.64
Additional Paid in Capital	\$ 123,849.00	\$ 432,092.49	\$ 680,745.73	\$ 874,037.36
Retained Earnings / Deficit	-\$ 102,318.00	-\$ 315,772.00	-\$ 657,495.70	-\$ 986,758.70
Total Equity	\$ 22,782.00	\$ 125,054.00	\$ 33,330.30	-\$ 100,932.70

Inventalator Pro Forma Balance Sheet - Q1 2018		
ASSETS	December 31st 2017	March 31st 2018
Cash on Hand	\$ 103,618	\$ 280,463
A/R	\$ 45,550	\$ 59,925
Total Assets	\$ 149,168	\$ 340,388
LIABILITIES		
Royalty Note Payable	\$ 105,000	\$ 105,000
Convertible Note - gener8tor	\$ 70,000	\$ -
Convertible Note - Brightstar	\$ 50,000	\$ -
ODP LOC	\$ -	\$ -
Contractor Payable - Development	\$ 6,600	\$ 26,400
Unearned Revenue	\$ 9,325	\$ 2,331
Interest Payable	\$ 9,176	\$ 10,226
Total Liabilities	\$ 250,101	\$ 143,957
STOCKHOLDER'S EQUITY		
Common Stock	\$ 11,789	\$ 13,051
Additional Paid in Capital	\$ 874,037	\$ 1,268,437
Retained Earnings / Deficit	-\$ 986,759	-\$ 1,085,057
Total Equity	-\$ 100,933	\$ 196,431

Inventalator Income Statement Q1 2018	
Revenue	January 1st - March 31st
Sales Revenue - Subscriptions	\$ 36,675.00
Sales Revenue - Other	\$ 9,993.75
Cost of Goods Sold - Ideabox	\$ -
Cost of Goods Sold - Web Hosting	\$ 3,274.25
Gross Profit	\$ 43,394.50
Operating Expenses	
Salaries Expense	\$ 56,166.87
Payroll Tax Expense	\$ 5,039.83
Subcontractor Expense	\$ 34,294.76
Advertising and Marketing	\$ 11,515.92
Bad Debt Expense	\$ 1,500.00
Heat and Electric	\$ 1,735.46
Insurance - Health	\$ 4,558.26
Insurance - Other	\$ 441.99
Meals and Entertainment	\$ 2,112.80
Office Supplies and Software	\$ 1,013.94
Parking Expense	\$ 740.00
Rent Expense	\$ 7,398.00
Subscription Expense	\$ 7,187.64
Travel Expense	\$ 3,375.41
Other Operating Expenses	\$ 256.00
Total Operating Expenses	\$ 137,336.88
Non Operating Expenses	
Bank Charges and Fees	\$ 125.09
Legal and Professional Services	\$ 3,000.00
Interest Expense	\$ 1,230.82
Total Non Operating Expenses	\$ 4,355.91
Total Expenses	\$ 141,692.79
Net Income	-\$ 98,298.29

Inventalator Pro Forma Balance Sheet - Q2 2018		
ASSETS	March 31st 2018	June 30th 2018
Cash on Hand	\$ 280,463	\$ 282,192
A/R	\$ 59,925	\$ 79,719
Total Assets	\$ 340,388	\$ 361,911
LIABILITIES		
Royalty Note Payable	\$ 105,000	\$ 105,000
Convertible Note - gener8tor	\$ -	\$ -
Convertible Note - Brightstar	\$ -	\$ -
ODP LOC	\$ -	\$ -
Contractor Payable - Development	\$ 26,400	\$ -
Unearned Revenue	\$ 2,331	\$ -
Interest Payable	\$ 10,226	\$ 11,276
Total Liabilities	\$ 143,957	\$ 116,276
STOCKHOLDER'S EQUITY		
Common Stock	\$ 13,051	\$ 13,530
Additional Paid in Capital	\$ 1,268,437	\$ 1,417,958
Retained Earnings / Deficit	-\$ 1,085,057	-\$ 1,185,852
Total Equity	\$ 196,431	\$ 245,635

Inventalator Income Statement Q2 2018	
Income	April 1st - June 30th 2018
Sales Revenue - Subscriptions	\$ 43,425.00
Sales Revenue - Other	\$ 5,831.25
Cost of Goods Sold - Ideabox	\$
Cost of Goods Sold - Web Hosting	\$ 3,663.12
Gross Profit	\$ 45,593.13
Expenses	
Salaries Expense	\$ 56,717.04
Payroll Tax Expense	\$ 4,389.95
Subcontractor Expense	\$ 29,414.03
Advertising and Marketing	\$ 12,136.03
Bad Debt Expense	\$ 2,500.00
Heat and Electric	\$ 904.36
Insurance - Health	\$ 4,737.24
Insurance - Other	\$ 441.99
Meals and Entertainment	\$ 2,014.68
Office Supplies and Software	\$ 1,207.45
Parking Expense	\$ 943.00
Rent Expense	\$ 7,398.00
Subscription Expense	\$ 9,755.45
Travel Expense	\$ 5,893.45
Other Operating Expenses	\$ 1,666.28
Total Operating Expenses	\$ 140,118.95
Non Operating Expenses	
Bank Charges and Fees	\$ 276.98
Legal and Professional Services	\$ 4,942.50
Interest Expense	\$ 1,050.00
Total Non Operating Expenses	\$ 6,269.48
Total Expenses	\$ 146,388.43
Net Income	\$ 100,795.30

EXHIBIT 9



City of
WHITEWATER
COMMUNITY DEVELOPMENT AUTHORITY

August 26, 2020

Inventalator, Inc.
Coby Skonord
N31W23591 Rough Hill Road
Pewaukee, WI 53072

Re: A payment of \$500.00 received on August 18, 2020 to be applied to the Inventalator, Inc. \$27,500.00 loan #910-15006.

A payment of \$500.00 received on August 18, 2020 to be applied to the Inventalator, Inc. \$77,500.00 loan #910-15012.

Dear Coby,

Thank you for your payments towards your Capital Catalyst loans. Pursuant to our conversation on August 18, 2020, your due dates are as follows:

- A. The maturity date on loan #910-15006 is deferred until February 1, 2021.
- B. The maturity date of April 8, 2021 on Loan #910-15012 remains unchanged.

Thank you for participating in the WEDC Capital Catalyst program, if you have any questions I can be reached at the office or via email.

Best regards,


Cathy

Cathy Anderson
Economic Development Director
(262) 473-0148
canderson@whitewater-wi.gov



INVENTALATOR INC 79-233/759
N31W23591 ROUGH HILL RD
PEWAUKEE WI 53072 DATE 8/18/20

PAY TO THE ORDER OF Whitewater CDA \$ 500.00
Five Hundred and 0/100 DOLLARS

FIRST CITIZENS STATE BANK
 WWW.FIRSTCITIZENSWW.COM
 262-473-2112

MEMO 910-15012 Chy Jho MP

⑆075902337⑆ 134797⑈

INVENTALATOR INC 79-233/759
N31W23591 ROUGH HILL RD
PEWAUKEE WI 53072 DATE 8/18/20

PAY TO THE ORDER OF Whitewater CDA. \$ 500.00
Five Hundred and 0/100 DOLLARS

FIRST CITIZENS STATE BANK
 WWW.FIRSTCITIZENSWW.COM
 262-473-2112

MEMO 910-15006 Chy Jho MP

⑆075902337⑆ 134797⑈



Inventalator Inc, DBA Ideawake
coby@ideawake.com | +1(262)352-0907
 1245 North Water Street, Floor 2
 Milwaukee, WI 53202

Inventalator Incorporated DBA Ideawake

INCOME STATEMENT

FOR YEAR ENDED 12/31/2019

Revenue		
Subscription Revenue	\$ 399,451.59	93.44%
Other Revenue	\$ 27,550.01	6.44%
Interest Revenue	\$ 487.40	0.11%
Total Revenue	\$ 427,489.00	100.00%
Cost of Goods Sold	\$ 29,229.41	6.84%
Gross Profit	\$ 398,259.59	93.16%
Operating Expenses		
Salaries Expense	\$ 287,861.44	37.29%
Payroll Tax Expense	\$ 22,831.32	2.96%
Health Insurance Expense	\$ 23,905.55	3.10%
Contractors Expense	\$ 182,958.74	23.70%
Advertising and Marketing Expense	\$ 60,625.08	7.85%
Rent Expense	\$ 29,592.00	3.83%
Office Supplies and Software Expense	\$ 8,016.15	1.04%
Heat and Electric Expense	\$ 4,215.48	0.55%
Parking Expense	\$ 4,158.00	0.54%
Bad Debt Expense	\$ 7,600.00	0.98%
Subscription Expense	\$ 51,592.23	6.68%
Travel Expense	\$ 13,601.63	1.76%
Bank Charges Expense	\$ 667.03	0.09%
Professional Services Expense	\$ 13,906.52	1.80%
Liability Insurance Expense	\$ 2,193.00	0.28%
Other Operating Expenses	\$ 53,948.63	6.99%
Total Operating Expenses	\$ 767,672.80	99.46%
Non-Operating Expenses		
Interest Expense	\$ 4,200.00	0.54%
Total Non Operating Expenses	\$ 4,200.00	0.54%
Total Expenses	\$ 771,872.80	100.00%
Net Income (Loss)	\$	(373,613.21)



August 10, 2021

Inventalator, Inc.
Coby Skonord
N31W23591 Rough Hill Road
Pewaukee, WI 53072

Re: Deferred loan dates

Dear Coby,

Thank you for your update, its exciting to hear you're on an upward path to a sustainable successful business. The CDA agrees to offer the following extensions:

- A. The maturity date on loan #910-15006 (\$27,500) has been deferred until February 1, 2022.
- B. The maturity date on Loan #910-15012 (\$75,000) has been deferred until August 1, 2022.

Thank you for participating in the WEDC Capital Catalyst program, if you have any questions I can be reached at the office or via email.

Best regards,

Cathy

Cathy Anderson
Economic Development Director
(262) 473-0148
canderson@whitewater-wi.gov



Council Agenda Item

Meeting Date:	August 6, 2024
Agenda Item:	MOU -CDA and Water Utility
Staff Contact (name, email, phone):	Rachelle Blitch, rblitch@whitewater-wi.gov , 262-473-1380

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

The Community Development Block Grant (CDBG) program, established in 1974, is administered by the U.S. Department of Housing and Urban Development (HUD). Whitewater received its funds through a state-administered program managed by the Department of Administration (DOA) Division of Energy, Housing and Community Resources (DEHCR). The program came under scrutiny, and in 2018, states were informed that their Revolving Loan Fund (RLF) programs would be evaluated for effectiveness. In February 2019, HUD announced its decision to proceed with closing the program. Wisconsin was given a deadline of January 31, 2021, to comply with the close-out process.

According to the CDBG Close-Out Manual, there were three ways to participate in the program. Given Whitewater's outstanding loans, there were two available options. The CDA could either purchase all of the outstanding loans in their RLF portfolio, thereby receiving the outstanding principal and interest on the loans, or they could retain the responsibility of servicing the loans and remit all payments to the state as they were received.

The highlighted section of the manual (page 5) outlines the financial details of each option. The CDA opted for Option 1, which required them to purchase the outstanding loans amounting to \$334,272.67 (Hatton Memo). In return, the DOA permitted the total bank balance of \$502,228.91 (\$559,303.02 less administrative costs of \$34,209.69) and the purchased RLF receivables of \$334,272.67 (combined total of \$859,366) to be used on a qualifying project within the allotted timeframe.

The CDA decided to allocate the funds to the construction of the new water tower, as it was already planned. Other potential projects were considered but deemed unsuitable due to the longer implementation time required, which would not fit within the given timeframe for project completion.

The foundation of the MOU was based on the fact there was an assumed obligation to repay the funding to the CDA however, the funds used came from a federal grant. The cash and RLF balances were required to be sent back to the DOA regardless of which option the CDA chose and the C

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

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

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

1. CDBG Close-Out Manual
 2. Memo from Steve Hatton Re: CBDG Close Program 1.28.2021
-

Introduction

What is CDBG?

The Community Development Block Grant (CDBG) program is a federal formula-allocated grant program administered by the U.S. Department of Housing and Urban Development (HUD). Funding for the CDBG Small Cities Program is provided to the State of Wisconsin by HUD. The program was created when Congress passed the Housing and Community Development Act, Title 1 in 1974 and it is governed by the rules set forth in the Housing and Community Development Act (HCDA) of 1974 (as amended) and in the Code of Federal Regulations (24 CFR Part 570).

The CDBG program consists of two components: One, an "entitlement program" under which HUD provides funding directly to urban counties with populations of at least 200,000; cities with populations of at least 50,000; and principal cities of Metropolitan Statistical Areas, and two, a "state-administered program" under which HUD provides CDBG funds to States to distribute to non-entitlement communities. The Department of Administration (DOA) Division of Energy, Housing and Community Resources (DEHCR) is responsible for administering Wisconsin's State-Administered Community Development Block Grant Program.

The primary purpose of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, principally for the benefit of persons of low and moderate income (LMI).

CDBG-CLOSE

CLOSE is designed to provide the necessary regulatory and financial flexibility for communities to address local needs. The Department, through the implementation of the CDBG-CLOSE program, has determined that the best course of action is to liquidate the remaining funding and to ultimately close all Revolving Loan Funds (RLF). UGLG's that currently administer an Economic Development Revolving Loan Fund are required to participate in the CDBG-CLOSE program.

Under the CDBG-CLOSE program, all locally held, and funded by a CDBG award made on January 1, 1992 or later, Economic Development Revolving Loan Funds will be held for UGLG's. These UGLG's will have non-competitive access to the funds to use as grants for eligible activities.

There are three ways UGLG's will participate in CDBG-CLOSE. First, UGLG's that do not

have **any** outstanding, current loans and **only** have cash on hand will receive credit for their RLF bank balance as grant funding. Under this option, UGLG's RLF Closeout Account will be determined as follows:

$$\text{RLF Bank Balance} = \text{RLF Closeout Account}$$

These UGLG's will have the option to utilize CDBG-CLOSE funds for up to two (2) projects totaling the amount of their RLF Closeout Account. In addition, UGLG's may submit an application for up to one (1) additional Planning project. Depending upon the RLF Closeout Account balance, some communities may be eligible to apply for more than two projects.

UGLG's with outstanding loans have the option under CDBG-CLOSE to either:

1. **Purchase** the value of **all** outstanding loans in the RLF portfolio and transfer those funds to DEHCR;

Under CDBG-CLOSE, UGLG's that opt to **purchase** all outstanding loans will receive their RLF bank balance plus their purchase of their outstanding balance as grant funding. Under this option, UGLG's RLF Closeout Account will be determined as follows:

$$\text{RLF Bank Balance} + \text{Purchased RLF Accounts Receivable} = \text{RLF Closeout Account}$$

In addition, UGLG's that opt to purchase all outstanding loans will have the option to utilize these funds for up to three (3) projects. For UGLG's with large RLF Closeout Balances, an additional fourth (4) project may be applied for, as determined by DEHCR.

2. **Retain the responsibility to** service outstanding loans locally.

Under CDBG-CLOSE, UGLG's that opt to **retain the responsibility to** service outstanding loans locally will only receive credit for their RLF bank balance as grant funding. Under this option, UGLG's RLF Closeout Account will be determined as follows:

$$\text{RLF Bank Balance} = \text{RLF Closeout Account}$$

UGLG's that opt to retain all outstanding loans and service them locally will have the option to utilize CDBG-CLOSE funds for up to two (2) projects totaling the amount of their RLF Closeout Account. In addition, UGLG's may submit an application for up to one (1) additional Planning project. Depending upon the RLF Closeout Account balance, some communities may be eligible to apply for more than two projects. DEHCR will enter into a written agreement with all UGLG's that opt to retain the responsibility to service all outstanding loans. UGLG's must return all applicable loan repayments to the State.

After the UGLG has determined which option it will utilize to participate in CDBG-CLOSE and the RLF Closeout Account has been established, the UGLG will follow the process established under CDBG-CLOSE to dissolve its RLF. As stated above, all Economic Development RLF's will be dissolved under CDBG-CLOSE and participation in CDBG-CLOSE is mandatory.

All Economic Development Revolving Loan Fund Accounts that were originally capitalized with payments of loans made from CDBG grant funds awarded prior to January 1, 1992 by the State

of Wisconsin **and** have not received a subsequent award from January 1, 1992 to present from the State of Wisconsin are not subject to CDBG-CLOSE. These funds qualify under the program income reporting guidelines as defined in CPD Notice 04-11.

All Revolving Loan Fund Accounts that meet this requirement are encouraged to self-identify and certify by signature of authorized local official that the funds qualify under the program income reporting guidelines as defined in CPD Notice 04-11. A sample certification document may be found in the Application for CDBG- CLOSE Section.

A final, official RLF Closeout Account balance will be calculated at the time of the RLF closure when a final report is submitted to DEHCR and reflect each community's unique situation.

A community with access to RLF Closeout Funds is not excluded from applying for annual competitive CDBG-Public Facilities grants to supplement a project's cost. All standard requirements as outlined in the CDBG Application Materials and Handbook apply. If selected under the annual application cycle, the sub-grantee must utilize RLF Closeout Funds before accessing competitive allocation funds. This requirement also applies to the non-competitive Economic Development grants.

Example:

- \$500,000 Public Facility project
- \$295,000 Local RLF Closeout Account available
- \$205,000 Funds from annual allocation

When only the local RLF Closeout Funds are being used for a project, refer to the Project Funding Limits section for award maximums. The amount of the grant cannot exceed the RLF Closeout Account balance.

If an UGLG retains the responsibility of servicing existing loans, the potential responsibility for re-paying the loan due to the UGLG's failure to meet a National Objective resides with the UGLG.

Eligible CDBG-CLOSE Applicants

Only existing Units of General Local Government (UGLG) that hold a CDBG RLF-ED fund will apply for funding.

This includes:

Ashland County
Ashland City
Baraboo City
Barneveld Village
Berlin City
Boscobel City
Brillion City
Brown County
Buffalo County
Burlington City
Butternut Village
Calumet County
Cambria Village
Cascade Village
Cedarburg City
Clintonville
Columbia County
Columbus City
Cuba City
Dane County
Darlington City

De Pere City
Deerfield Village
Dodge County
Door County
East Troy Village
Edgerton City
Elkhorn City
Elroy City
Fall River Village
Florence County
Fond du Lac County
Fort Atkinson City
Gilman Village
Grafton Village
Grant County
Green County
Hartford City
Highland Village
Hillsboro City
Horicon City
Howard Village

Iowa County
Jackson County
Jacobs Town
Jefferson County
Jefferson City
Juneau County
Juneau City
Kaukauna City
Kendall Village
Kenosha County
Kewaunee County
La Crosse County
Lafayette County
Lake Mills City
Langlade County
Laona Town
Little Chute Village
Manitowoc County
Manitowoc City
Maribel Village
Marinette County

Marinette City	Ozaukee County	Shullsburg City
Marion City	Pepin County	Sparta City
Mauston City	Peshtigo County	Sturgeon Bay City
Mazomanie Village	Pierce County	Sun Prairie City
Medford City	Plymouth City	Sussex Village
Menomonee Falls Village	Port Washington City	Taylor County
Mequon City	Portage City	Tomah City
Middleton City	Potosi Village	Tri-County EDC
Mineral Point City	Prairie Farm Village	Two Rivers City
Monroe County	Racine County	Union Grove Village
Monroe City	Reedsburg City	Vernon County
Mukwonago Village	Rib Lake Village	Washburn County
Muscoda Village	Richland Center City	Washburn City
Muskego City	Richland County	Washington County
New Holstein City	Ripon City	Watertown City
New London City	Rock County	Waupaca County
Oconto County	Sauk County	West Bend City
Oconto Falls City	Saukville City	Whitewater City
Oconto City	Seymour City	Winnebago County
Oneida County	Shawano County	Winneconne Village
Oostburg Village	Shawano City	Wisconsin Dells City
Osseo City	Sheboygan County	Wittenberg Village
Outagamie County	Sheboygan Town	

All Revolving Loan Fund Accounts that were originally capitalized with payments of loans made from CDBG grant funds awarded prior to January 1, 1992 by the State of Wisconsin **and** have not received a subsequent award from January 1, 1992 to present from the State of Wisconsin are not subject to CDBG-CLOSE. These funds qualify under the program income reporting guidelines as defined in CPD Notice 04-11.

Any of the above listed RLF's that certify that they qualify under the program income reporting guidelines as defined in CPD Notice 04-11 as receiving their CDBG award prior to January 1, 1992 are not included under CDBG-CLOSE.

Under CDBG-CLOSE, UGLG's must:

1. Return to the Department the full balance of the locally-held Revolving Loan Fund as indicated on the final report;
2. Dissolve the RLF under the process identified by the Department;
3. Complete all documentation required and requested by the Department.

Program Requirements

Eligible Activities

Eligible recipients may utilize their RLF Closeout grant award for the currently authorized programs as outlined in the State of Wisconsin 2015-2019 Consolidated Plan without the matching funds requirement:

1. Public Facilities;
2. Housing Rehabilitation Conversion;
3. Economic Development projects;
4. Public Facilities for Economic Development projects;
5. Planning projects

In addition to the programs identified above, the RLF Closeout Account can be used for the following special purposes:

6. Broadband/high speed internet access for low and moderate income (LMI) residents. grant funds can be used by the Unit of General Local Government (UGLG) for public infrastructure projects to expand broadband internet access. Examples of eligible expenses include the purchase of materials and installation.
7. Mitigation measures specifically those that address natural hazard risks; must connect the mitigation development or action to address impacts on LMI residents.
8. Public services. For more information see:
<https://www.hudexchange.info/onecpd/assets/File/Basically-CDBG-State-Chapter-7-Public-Services.pdf>

Project Funding Limits

Under CDBG-CLOSE, local match for projects is encouraged, but not required. Funding limits for eligible programs under CDBG-CLOSE are as follows:

1. Public Facilities: \$3,000,000 per project;
2. Housing Rehabilitation: existing CDBG-H costs apply;
3. Economic Development projects: \$3,000,000 per project;
4. Public Facilities for Economic Development projects; \$3,000,000 per project;
5. Planning projects: \$75,000 per project

In addition to the programs identified above, the RLF Closeout Account can be used for the following special purposes:

6. Broadband/high speed internet: \$3,000,000 per project;
7. Mitigation measures specifically those that address natural hazard risks: \$3,000,000 per project;
8. Public services: \$300,000 per project



Department of Finance and
Administrative Services
312 W. Whitewater Street
P.O. Box 178
Whitewater, Wisconsin 53190

www.whitewater-wi.gov
Telephone: (262) 473-0101
Fax: (262) 473-0509

MEMORANDUM

DATE: January 28, 2021

TO: Cathy Anderson, CDA Director

CC: Cameron Clapper, City Manager;

FROM: Steve Hatton, Director of Finance & Administrative Services

RE: CDBG Close Program

This memo is an update to the Jan 6, 2021 memo to document final values submitted to and validated with DOA. These values are being used to make corresponding accounting entries and remittance of cash to DOA to complete the CDBG Close process.

The CDBG Revolving Loan Program is being discontinued as of 12/31/2020 as a result of the CDBG Close program directed by the Wisconsin Department of Administration (DOA). Under CDBG Close, all program cash and receivables are to be remitted to the DOA by January 31, 2021. The CDA and Finance staff have reviewed receivables with legal counsel and identified the following actions:

1. Write-offs. The following loans are being written off as uncollectable:

Account	Account Title	Origination Date	Balance Owed at 12/31/2020
910-13002	CDBG LOAN-THERMODATA-\$100K	4/22/2014	\$ 75,038.87
910-13022	CDBG LOAN-EDVIEWRATE-\$102,510	9/8/2014	\$ 102,510.00
910-13025	CDBG LOAN-MOBILE MESH-\$102,510	2/12/2015	\$ 102,510.00
910-13028	CDBG LOAN-V2 LEAGUE-\$51,560	7/1/2015	\$ 29,036.81
910-13029	CDBG LOAN-MOBILE MESH-\$21,710	4/26/2016	\$ 21,710.00
Total Value pending write-off:			<u>\$ 330,805.68</u>

These write-offs will be offset against the reserve account held in 910-13499. The remaining \$53,273.32 reserve balance will be transferred into the Action Fund Reserve established in 910-17999

2. Administrative Recovery. The CDBG RLF program permits recovery of Administrative costs. As part of the CDBG Close reporting prepared for DOA, \$34,209.69 in administrative costs were identified for the April 1, 2017 to December 31, 2020 period. These costs represent staff time and vendor costs documented over this reporting period. The \$34,209.69 Administrative Recovery will be deducted from the funds due to DOA under the CDBG Close program and reducing the additional funds being supplied by the Action Fund to purchase the receivables identified in item 4 below.

3. Cash. The CDBG Revolving Loan Fund cash is accounted for in 910-11500 with a balance of \$559,303.02 at 12/31/2020. After deducting \$34,209.69 in Administrative costs, the remaining \$502,228.91 is required to be returned to DOA.
4. Purchased Receivables. The following CDBG RLF loans are being acquired by the Action Fund (formerly UDAG)

CDBG Account	Account Title	Origination Date	Balance Owed at 12/31/2020	New Action Account
910-13009	CDBG LOAN-LEARNING DEPOT	7/1/2016	\$ 41,294.63	910-13501
910-13013	CDBG LOAN-IBUTTONLINK	1/3/2014	\$ 9,682.42	910-13502
910-13021	CDBG LOAN-BIKEWISE-\$62,600	12/27/2012	\$ 23,099.36	910-13503
910-13024	CDBG LOAN-MEEPER TECH-\$102,510	2/12/2015	\$ 97,907.69	910-13504
910-13030	ACTION-MEEPER-\$82,310	4/26/2016	\$ 82,310.00	910-13505
910-13033	CDGB LOAN-BLUE LINE \$41,460	3/6/2018	\$ 34,520.75	910-13506
910-13034	CDGB LOAN-BLUE LINE \$51,560	9/13/2018	\$ 45,457.82	910-13507
Value of Receivables being acquired:			<u>\$ 334,272.67</u>	

The Action Fund bank account will provide the funding to acquire these receivables.

Summary:

1	Write-offs	(330,805.68)	Paid to Action Fund Account 910-11800 from CDBG Account 910-11500
2	Administrative Recovery	(34,209.69)	
3	Cash, net of Admin	525,093.33	Paid to DOA from CDBG account 910-11500
4	Purchased Receivables	<u>334,272.67</u>	Paid to DOA from Action Fund Account 910-11800
Total Funds Due to DOA		<u>859,366.00</u>	Net Amount due DOA

*Net Action Fund amount drawn (Item 2 plus Item 4): \$300,062.98

End - SH

**MEMORANDUM OF UNDERSTANDING BETWEEN THE COMMUNITY DEVELOPMENT
AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN AND THE WHITEWATER MUNICIPAL
WATER UTILITY OF THE CITY OF WHITEWATER CONCERNING USE AND REPAYMENT OF
COMMUNITY DEVELOPMENT BLOCK GRANT CLOSEOUT PROGRAM DOLLARS**

This Memorandum of Understanding (the "Agreement") executed by and between the Community Development Authority of the City of Whitewater, Wisconsin (the "CDA") and the Whitewater Municipal Water Utility of the City of Whitewater, Wisconsin (the "Water Utility") for purposes of confirming the mutual understanding of the CDA and the Water Utility with respect to the matter addressed below.

The CDA has an opportunity to complete an eligible Community Development Block Grant ("CDBG") Project as provided under by the CDBG Closeout Program defined by the State of Wisconsin Department of Administration (the "DOA"). The CDA Board of Directors has unanimously agreed to utilize the Water Tower Project as the CDBG project. As the Water Utility would otherwise have to borrow an equal amount of funding from public debt markets absent the CDA direction of this grant funding, the Water Utility agrees to reimburse the CDA for the value of the CDBG grant funding dedicated to the Water Utility. The reimbursement will be recorded as a loan advance to the Water Utility by the CDA. The amount of the reimbursement will match the value of the CDBG grant, \$859,366, less \$7,500.00 for grant administration costs. Thus the loan will be \$859,366, but the Water Utility will only be required to pay back \$851,866 as part of this MOU.

Article 1 – Term.

1.01 Initial Term. The initial term of this Agreement shall be for eight (8) years beginning June 15, 2022, unless sooner repaid in full pursuant to the terms of this Agreement.

1.02 Extension of Repayment. This Agreement shall automatically renew on a yearly basis until the balance owed the CDA is paid in full.

Article 2 – Commitments.

2.01 CDA Board Commitments. The CDA Board hereby unanimously grants to the Water Utility the exclusive use of CDBG Closeout Program funds equal to \$859,366.00, to be used for the construction of a new water tower. The Water Utility shall adhere to all DOA CDBG Closeout regulations, rules, policies and meet all deadlines as required by the DOA.

2.02 Water Utility Commitments. The Water Utility hereby agrees to repay the CDBG Closeout program dollars to the CDA as follows: Semi-annual payments of principal beginning on December 15, 2022 per attached schedule (Exhibit A). The loan by the CDA to the Water utility is to be interest-free.

Article 3 – Termination. This Agreement may only be terminated upon repayment in full by the Water Utility to the CDA. The repayment of project dollars will be made by January 1, 2030.

Article 4 – Governing Law. The laws of the State of Wisconsin shall govern the interpretation and enforcement of this Agreement.

Article 5 - Successors and Assigns. Except as expressly granted herein, no party shall assign its rights or obligations under the Agreement to any other party without a mutually-written addendum executed by all parties to this Agreement.

Article 6 – Amendment. This Agreement shall not be amended, changed, modified or altered without the written consent of all parties hereto, and no modification, alteration or amendment to this Agreement shall be binding until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Agreement. Any proposed amendment to this Agreement shall be provided in writing, along with a memorandum in support of the amendment, to all parties to this agreement fifteen (15) days prior to final action on the amendment by any party.

Article 7 – Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

Article 8 – Severability. If any specific term or provision herein is adjudicated to be unenforceable against either party, such decision shall not automatically render this entire Agreement null or void. Rather, the unenforceability of one or more terms, clauses or paragraphs in this Agreement shall not affect the enforceability of the remaining terms herein.

Article 9 -Third Party Beneficiaries. Third Party Beneficiaries. This Agreement is entered into for the sole and exclusive benefit of the parties hereto. No third party shall have, obtain, or derive from this Agreement any rights or other benefits or interests under any laws or otherwise, except as specifically stated herein.

Article 10 - Exculpatory Provision. The parties to this Agreement expressly acknowledge and agree that, anything herein to the contrary notwithstanding, no officer, director, employee, agent, or officials (elected or appointed) of any party hereto shall have any personal liability or obligation arising out of this Agreement, and no party hereto shall make any claims to the contrary.

Article 11 - Rules of Construct/Conduct. The parties to this Agreement acknowledge and agree that the terms herein were negotiated in good faith and represent the intent of the parties. In the course of negotiations, each party has been represented by a practicing attorney, and that accordingly rules of interpretation that signify that an agreement shall be construed against the drafter shall not apply. In addition, the parties acknowledge and agree that they shall endeavor to resolve any and all issues that may arise under this Agreement in the spirit of cooperation consistent with the intent of this Agreement with the aim of benefiting the entire Whitewater area community and the University of Wisconsin-Whitewater.

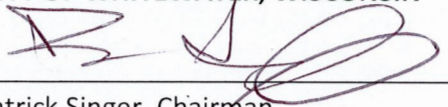
By signing below, the parties hereto represent that they have full authority to execute this Agreement and thereby bind their respective entities to the terms of this Agreement. Upon execution, this Agreement shall be in full force and effect as stated herein.

Dated this 17th day of Nov, 2021

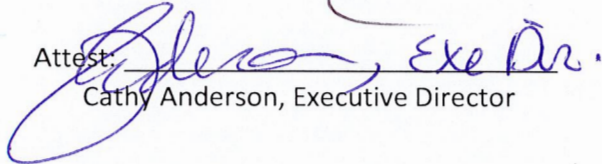
Dated this 17th day of Nov, 2021


COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN

THE CITY OF WHITEWATER

By: 
Patrick Singer, Chairman

By: 
Cameron Clapper, City Manager

Attest: 
Cathy Anderson, Executive Director

AND
By: 
Michele R. Smith, City Clerk

Document Prepared by: Whitewater CDA – Cathy Anderson. Attachment Prepared by: Whitewater Finance Director Steve Hatton
Common Council Approval Date: 10/5/21

Exhibit A
CDA Water Tower Advance

Item 5.

CDA Repayment			
6/15/2022	(\$859,366.00)		
	Prin	Int	Total
12/15/2022	(\$57,807.12)	\$0.00	(\$57,807.12)
6/15/2023	(\$58,457.45)	\$0.00	(\$58,457.45)
12/15/2023	(\$59,115.09)	\$0.00	(\$59,115.09)
6/15/2024	(\$59,780.14)	\$0.00	(\$59,780.14)
12/15/2024	(\$60,452.67)	\$0.00	(\$60,452.67)
6/15/2025	(\$61,132.76)	\$0.00	(\$61,132.76)
12/15/2025	(\$61,820.50)	\$0.00	(\$61,820.50)
6/15/2026	(\$62,515.98)	\$0.00	(\$62,515.98)
12/15/2026	(\$63,219.29)	\$0.00	(\$63,219.29)
6/15/2027	(\$63,930.50)	\$0.00	(\$63,930.50)
12/15/2027	(\$64,649.72)	\$0.00	(\$64,649.72)
6/15/2028	(\$65,377.03)	\$0.00	(\$65,377.03)
12/15/2028	(\$66,112.52)	\$0.00	(\$66,112.52)
6/15/2029	(\$54,995.22)	\$0.00	(\$66,856.29)



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Susan Brown, Division Administrator

February 25, 2021

Mr. Cameron Clapper, City Manager
312 W. Whitewater Street
Whitewater, WI 53190

RE: City of Whitewater 2021 Community Development Block Grant for CLOSE Public Facilities (CDBG-CL-PF)
Project Award and Pre-Agreement Requirements

Dear Mr. Clapper:

Thank you for your recent Community Development Block Grant for CLOSE Public Facilities (CDBG-CL-PF) project proposal to construct a new Water Tower and Elevated Tank. On behalf of Governor Tony Evers and Secretary Joel Brennan, I am pleased to inform you that the Wisconsin Department of Administration (DOA) will award up to \$859,366 to the City of Whitewater for this CDBG-CL-PF project.

The U.S. Department of Housing and Urban Development (HUD) provides federal funding to states through the Community Development Block Grant (CDBG) program. Wisconsin uses this federal funding to provide affordable housing, suitable living environments, and expanded economic opportunities for persons with low and moderate incomes.

To ensure that your CDBG Application meets federal HUD regulations and program goals, the DOA Division of Energy, Housing and Community Resources (DEHCR) has reviewed your Grant Application.

Information regarding CDBG requirements and a list of documents that must be submitted to finalize the CDBG Grant Agreement are provided on pages 5-7 of this letter. The City has **forty-five (45) days** from the date of this letter to sign and return the Acceptance of Award on page 3 and submit the pre-agreement items listed under "Documents Submission" on pages 5-7.

After the Division receives these items, the City will be contacted by the assigned CDBG project representative to further discuss the terms and conditions of this CDBG-CL-PF award to help ensure the successful administration of this project under HUD guidelines. Certain compliance requirements must be met and the grant agreement must be executed **prior to** construction starting for the project.

February 25, 2021
Page 2 of 7

City of Whitewater
CDBG-CL-PF Award Amount: \$ 859,366

Again, congratulations and thank you for your efforts in helping our communities prosper and maintain a high quality of life for all Wisconsin residents.

Sincerely,

DocuSigned by:
Susan Brown
F23F3E38A24C4FE...

Susan Brown, Division Administrator
Division of Energy, Housing and Community Resources

Attachments: 7

cc: Senator Janis Ringhand, Senate District 15, State of Wisconsin
Representative Don Vruwink, Assembly District 43, State of Wisconsin
Steve Hatton, City Finance Director, City of Whitewater
Michele Smith, City Clerk, City of Whitewater
Brad Marquardt, Application Contact, Public Works Director, City of Whitewater
David Pawlisch, Director, Bureau of Community Development, DEHCR
Kristine Haskin, Budget and Policy Analyst – Advanced, DEHCR

February 25, 2021
Page 3 of 7

City of Whitewater
CDBG-CL-PF Award Amount: \$ 859,366

ACCEPTANCE OF THE AWARD

This award letter represents the Department of Administration – Division of Energy, Housing and Community Resources’ participation in the project. It can be accepted by signing below and returning this to the Division via email to Ben.Lehner@wisconsin.gov.

AUTHORITY TO SIGN DOCUMENT: The persons signing this Acceptance on behalf of the Municipality certify and attest that the Municipality’s respective Resolutions, and/or other related documents, give full and complete authority to bind the Municipality on whose behalf they are executing this document. The persons signing below also acknowledge that the specific provisions of this award letter are not binding upon the Division or the City of Whitewater and that the Division may withdraw this award at any point for any reason.

ACKNOWLEDGEMENT

City of Whitewater

Signature of Chief Elected Official

Date Signed

Printed Name of Chief Elected Official

Title of Chief Elected Official

Signature of Clerk

Date Signed

Printed Name of Clerk

Title of Clerk

February 25, 2021
Page 4 of 7

City of Whitewater
CDBG-CL-PF Award Amount: \$ 859,366

CDBG REQUIREMENTS AND PRE-AGREEMENT DOCUMENTS SUBMISSION

Specific procedures must be followed prior to undertaking CDBG activities. The Grantee must comply with applicable federal and state regulations and other grant requirements. Failure to comply with the regulations governing the CDBG program may result in this award being rescinded.

The grant award of up to \$859,366 represents approximately 30% of the proposed project costs. Total costs for this project are estimated to be \$2,875,000. The City must contribute other funds above the grant award amount if necessary to successfully complete the project.

PROJECT ADMINISTRATOR TRAINING

All CDBG project administrators are required to attend implementation training sessions, as scheduled by the Division. The 2021 Grantees must attend implementation training in Fall 2021. Training information will be posted on the Bureau of Community Development website at:
<https://doa.wi.gov/Pages/LocalGovtsGrants/TrainingAndTechnicalAssistance.aspx>

PROCUREMENT PROCESS

Regulations require each CDBG Grantee follow its local procurement policy. The City must use procurement procedures that comply with federal, state, and local regulations for purchases and contracts funded in whole or in part with CDBG dollars. The City's procurement policy must be submitted to and reviewed by the Division prior to the City receiving any funding. **The Division cannot release CDBG funds for contracted materials and services that have been improperly procured.**

Refer to Chapter 3 of the CDBG Implementation Handbook, available on the Bureau of Community Development's website at <https://doa.wi.gov/Pages/LocalGovtsGrants/CDBGImplementationHandbook.aspx>, for procurement and contracting guidance. The City must adhere to competitive sealed bid requirements for public works construction contracts of more than \$25,000 under Wisconsin Statutes (§59.03; §60.47; §61.54-57; §62.15; and §66.0901). Procurement through competitive proposal is most appropriate for engineering, grant administration, and related professional services. Grantees may choose to use simplified acquisition procedures for other services and goods that cost \$50,000 or less, per State CDBG policy. Records verifying that the appropriate procurement procedures were followed must be maintained in the City's CDBG project files.

ENVIRONMENTAL REQUIREMENTS

An Environmental Review Record and the affiliated actions must be completed for the project and an Environmental Certification letter must be issued by the Division's Environmental Compliance Officer prior to construction activities beginning. Starting construction activities prior to meeting environmental compliance certification requirements will disqualify the project from CDBG funding eligibility. The environmental specifications for CDBG projects are provided in Chapter 4 of the CDBG Implementation Handbook.

February 25, 2021
Page 5 of 7

City of Whitewater
CDBG-CL-PF Award Amount: \$ 859,366

SEMI-ANNUAL & ANNUAL REPORTING

Semi-annual and annual reporting for the CDBG project is required. The City must submit the reports in accordance with Chapter 9 of the current CDBG Implementation Handbook and the CDBG Grant Agreement. Grantees that accept a CDBG award must submit the applicable reports for the first reporting period for semi-annual reporting period ending September 30, 2021, regardless of whether the CDBG Grant Agreement has or has not been fully executed. The Grantee shall report all activities from the Award Date (i.e., the date of this letter) through the end of the reporting period ending September 30, 2021.

DOCUMENTS SUBMISSION

Pre-Agreement Documents:

All information provided in the CDBG Application is subject to further verification and review by the Division upon request. The Grant Agreement will be finalized, contingent upon the Division receiving and approving the following pre-agreement documentation:

1. A copy of the City of Whitewater's procurement policy.
2. A list of executed contracts for CDBG project-related services and method of procurement used for each.
3. A completed Financial Management Contact Person form (attached with this letter).
4. A completed Depository Certification form (attached with this letter).
5. A completed Signature Certification form (attached with this letter).
6. A completed W-9 [Request for Taxpayer Identification Number (TIN) Certification] form (attached with this letter).
7. A completed DOA-6460 New Supplier Form (attached with this letter) and accompanying bank documentation (required if the bank account the UGLG will be using for the CDBG funding deposits has not been previously registered with the State of Wisconsin Department of Administration after 2015).
8. A completed DOA-6456 Authorization for Electronic Deposit form (attached with this letter) and accompanying bank documentation. If the City would like to receive a paper check instead of having CDBG funds deposited electronically, contact your assigned DEHCR Program Representative to obtain the appropriate form.
9. Documentation verifying that the City currently has an **active registration status with a registered DUNS** on the federal System for Award Management (SAM) at <https://sam.gov/SAM>. If the City's SAM.gov registration has expired or will expire prior to the execution of the Grant Agreement, then the

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City of Whitewater
CDBG-CL-PF Award Amount: \$ 859,366

City must activate/re-activate the registration on SAM.gov and provide a copy showing the updated status to the Division.

Alerts Regarding SAM.gov Registration:

- If the City is not registered or has an inactive/expired registration on SAM.gov, then the Division strongly advises the City to complete the registration process or re-activation process (if applicable) **immediately** to avoid delays in executing the CDBG Grant Agreement. Some grantees have experienced significant delays in registration and re-activation approvals in the past.
 - Records generated from websites other than the *official* SAM.gov website at <https://sam.gov/SAM> or emails from entities other than SAM.gov and the Federal Service Desk (which manages SAM.gov) at <https://www.fsd.gov/fsd-gov/> will **not** be accepted. Third-party entities have websites that display SAM information but are not the *official* SAM.gov website.
 - Third-party entities may offer services for a fee to municipalities to assist with registering on SAM.gov. However, there is no fee or charge from <https://sam.gov/SAM> for registration. Municipalities and other entities may self-register on SAM.gov without third-party assistance and registration on the system is **FREE**. Refer to the "HELP" section on SAM.gov and contact the Federal Service Desk (contact information available at https://www.fsd.gov/gsafsd_sp/?id=gsa_landing) as needed for guidance on registering on the SAM.gov.
10. An updated project budget, reflecting the CDBG award and any changes to funding or projected costs, if applicable, using the budget form previously provided with the CDBG Application materials (also attached with this letter).
 11. Proof that all local match funds have been secured, including verification from the other sources of match funding listed for this project in the City's CDBG Application, if the total project costs will exceed the CDBG CLOSE award amount and additional funds are necessary to complete the CDBG project. Documentation may include copies of signed award letters, signed loan paperwork, bank account statements, or similar items. (Note: A resolution to commit funds is **not** verification that the funds are available nor have been secured. Items previously submitted with the City's CDBG Application do not need to be resubmitted.)
 12. An itemized, bullet-pointed list of all construction activities and project deliverables to be included in the Scope of Work in the CDBG Grant Agreement, based on the description of the project in the City's CDBG Application.

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City of Whitewater
CDBG-CL-PF Award Amount: \$ 859,366

13. An updated project timeline with the projected construction bidding date(s) and construction start and end dates. Construction must begin no later than December 31, 2021 and end no later than October 31, 2022. Grantees must contact their assigned DEHCR Project Representative to request any exceptions.
14. Additional items as applicable. Contact your assigned CDBG Project Representative in DEHCR to determine if any additional items from the CDBG Application require follow-up or additional submissions prior to executing the Grant Agreement.

Please respond with the requested items in the Pre-Agreement section above within **forty-five (45) days** from the date of this letter. Requested information should be submitted to the Division via email to ben.lehner@wisconsin.gov.

Pre-Construction Documents:

The following documents are required **prior to the start** of any construction and the Division's disbursement of CDBG funds for the CDBG project:

- A fully executed CDBG Grant Agreement between the Division and the City (signed by all parties).
- A completed Environmental Review Record (including an Environmental Assessment, if required) and issuance of the Environmental Certification letter from the Division's Environmental Compliance Officer.
- Documentation of compliance with applicable federal labor standards and Federal Davis-Bacon Wage Rates for any construction funded, in whole or in part, with CDBG funds. An overview of the Davis-Bacon federal labor standards and requirements is provided in Chapter 7 of the CDBG Implementation Handbook.
- Copies of the competitive procurement solicitation (e.g., the Request for Proposals [RFP]) and the advertisement for the RFP, if applicable, and the executed contract between the City and the contracted grant administrator, if the City has contracted with another party for grant administration services. Only submission of the executed contract and documentation verifying the City followed the local procurement policy in selecting and contracting with the grant administration firm are required if the City is *not* using CDBG funds to directly pay for this activity.

Please contact your assigned CDBG project representative Ben Lehner, Grants Specialist – Advanced by phone at 608-264-6110 or email ben.lehner@wisconsin.gov if you have any questions or concerns. We congratulate the City of Whitewater on this 2021 grant award and we look forward to working with you to ensure successful completion of this CDBG-CL-PF project.



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

Tuesday, August 06, 2024 - 6:30 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:

<https://us06web.zoom.us/j/82331395004?pwd=9pMq2zCqmvKLtVQQ6dGMP21ClcPwdb.1>

Telephone: +1 (312) 626-6799 US (Chicago)

Webinar ID: 823 3139 5004

Passcode: 530135

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.

MINUTES

CALL TO ORDER

Council President Patrick Singer called the meeting to order at 6:31 pm.

ROLL CALL

PRESENT

Council President Patrick Singer
Councilmember Neil Hicks via Zoom audio only
Councilmember Brienne Brown
Councilmember Orin Smith

Jonathan McDonell City Attorney

John Weidl City Manager

Brad Marquardt Public Works Director

Heather Boehm City Clerk

Tiffany Albright Deputy City Clerk

ABSENT

Councilmember Lisa Dawsey Smith

Councilmember Greg Majkrzak
Councilmember Brian Schanen

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

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

Motion made to approve the agenda by Councilmember Brown, Seconded by Councilmember Smith.
Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith.

CONSENT AGENDA

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

Motion made to approve the agenda with adding items 15(City Manager Performance Evaluation Policy) 16(Revised Procurement Policy) and 17(Budget Amendment Policy) to the Consent Agenda by Councilmember Smith, Seconded by Councilmember Brown.
Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith.

1. Approval of Common Council Minutes from July 16, 2024.
2. Plan and Architectural Review Commission June 10, 2024 Minutes.
3. Library Board Minutes from May 20, 2024.
4. Lakes Advisory Meeting Minutes from May 1, 2024, May 21, 2024, May 29, 2024 and June 19, 2024.
5. Appointment of additional 2024-2025 Election Inspectors.
6. CDA Meeting Minutes from May 16, 2024, June 20, 2024 and Special Meeting Minutes from July 2, 2024.
7. Approval of new Class A liquor License for Aldi's.
8. Alcohol Licensing Committee Meeting Minutes from June 6, 2024 and June 18,2024.

CITY MANAGER REPORT

City Manager Weidl gave his bi-monthly update of City events and accomplishments, including reports from the following departments: Public Works, IT, Neighborhood Services, Library, Parks and Recreation, Police, and Human Resources.

STAFF REPORTS9. WAFC update- **Parks Department**

Whitewater Aquatic & Fitness Center Manager Hunter Karnitz gave an update on the Whitewater Aquatic & Fitness Center.

10. Mobile Home Special Assessment-**Finance**

Finance Director Rachelle Blich gave the Council an update on the Mobile Home Special Assessments. This will be brought back after the next assessments to reevaluate.

HEARING OF CITIZEN COMMENTS

No formal Council 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 Council 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.

RESOLUTION11. Part-time Salary Resolution Amendment 4 - **Finance**

Motion made to approve the Part-time Salary Resolution Amendment 4 by Council President Singer, Seconded by Councilmember Smith.

Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith.

ORDINANCES**First Reading**12. **Ordinance 2024-O-12** an ordinance regarding revisions to Chapter 12.22 Construction Standards Adopted, Sidewalk Ordinance-**Public Works**

Motion made to postpone **Ordinance 2024-O-12** an ordinance regarding revisions to Chapter 12.22 Construction Standards Adopted, Sidewalk Ordinance to the 8/20/24 Common Council meeting when there would be a full Council available to discuss this ordinance by Councilmember Brown, Seconded by Councilmember Smith.

Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith

CONSIDERATIONS13. Discussion and Possible action regarding making the Common Council meeting at UWW Campus 9/17/24 at 6:30 in the University Center 259 an annual meeting-**City Clerk**

Motion made to approve making the Common Council meeting at UWW Campus a yearly occurrence, 2nd meeting in September by Councilmember Smith, Seconded by Councilmember Brown.

Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith

Motion made to make the Common Council meeting at UWW Campus a twice yearly occurrence, 2nd meeting in September and 2nd meeting in February by Councilmember Smith, Seconded by Councilmember Brown.

Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith

14. Discussion and Possible Action regarding forming a Spring Splash Task Force-**Community Development Director**

Economic Development Director Zeinert gave an update on the Spring Splash Task Force. Council would like to see UWW Whitewater have involvement with the task force. This will be brought back for discussion at the September 17, 2024 Common Council Meeting.

15. City Manager Performance Evaluation Policy-**HR**

Approved with the Consent Agenda.

16. Discussion and Possible Action regarding Revised Procurement Policy-**Finance**

Approved with the Consent Agenda.

17. Discussion and Possible Action regarding Budget Amendment Policy-**Finance**

Approved with the Consent Agenda.

18. Discussion and Possible Action regarding CDA and Water Utility MOU-**Finance**

Motion made rescind the CDA/Water Utility MOU by Councilmember Brown, Seconded by Councilmember Smith.

Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith

19. Discussion and Possible Action regarding wording for Advisory Referendum Question regarding expenditures to maintain the Starin Park Water Tower-**Public Works**

Public Works Director Marquardt presented a draft referendum question to the Council for the Starin Park Water Tower. Council directed Director Marquardt to come back to the August 20, 2024 meeting with more direct question for the referendum.

20. Councilmember Requests for Future Agenda Items or Committee items. Questions

Councilmember Hicks would like the Audio/Visual system updated in the Council Chambers.

FUTURE AGENDA ITEMS

21. Brown Cab update-**Finance Q3**
22. Review the reference to Chapter 10 in Ordinances 2024-O-05, 2024-O-06 Title 19 and 20.-
Dawsey Smith Q2
23. Library Construction Costs and Financing-**Library**
24. Turning radius on Franklin and Main-**Dawsey Smith**
25. Comparison of Public Comments-**City Manager Q3**
26. Financial Outcomes with Walworth County TLE.
27. WAFC year-end financial update.- **Hicks Q4**

CLOSED SESSION Adjourn to closed session, to Reconvene in Open Session, Chapter 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 and (g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.

Items to be discussed:

Motion made to go into closed session at 7:39 pm by Council President Singer, Seconded by Councilmember Brown.

Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith.

Council came out of closed session at 7:56 pm

CS-28. Petition received from Janesville Fire Fighters IAFF Local 580.

CS-29. Settlement agreement between the City of Whitewater and Jill Gerber.

CONSIDERATIONS

30. Discussion and Possible Action regarding Petition received from Janesville Firefighters IAFF Local 580.

Motion made to approve the petition received by Janesville Firefighters IAFF Local 580 by Councilmember Brown, Seconded by Councilmember Smith.

Voting Yea: Council President Singer, Councilmember Brown, Councilmember Smith.

Voting Abstaining: Councilmember Hicks

31. Approval of the settlement agreement between the City of Whitewater and Jill Gerber.

Motion made to approve pay up to \$13,283.50 for payments related to open records and ethics action by Councilmember Brown, Seconded by Councilmember Smith.
Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith.

ADJOURNMENT

Motion made to adjourn at 8:00 pm by Councilmember Smith, Seconded by Councilmember Brown.
Voting Yea: Council President Singer, Councilmember Hicks, Councilmember Brown, Councilmember Smith.

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.

2023-2025 City of Whitewater's 5 strategic goals: Build single-family homes, Communicate with the community without the newspaper, Support a thriving business community, Recruitment and retention efforts with a focus on diversity, and Prioritization of expenditures with available resources.



CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	Tech Park Advisory Board
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

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

When the new MOU was negotiated a stipulation was that the Technology Park Advisory Board was to form. This Advisory Board will meet quarterly to learn about the tenants, events and operations of the Innovation Center. The MOU states that this Advisory Board shall consist of one member each from UW-Whitewater, the City of Whitewater and the Community Development Authority. Staff is looking for direction as to who from the CDA can serve as the CDA Representative for this Advisory Board.

The meetings will be held on the second Tuesday of each quarter at 8:30 a.m. at the Innovation Center. Listed below are the quarterly meeting dates for the remainder of 2024 and 2025. Please note that these meetings will have both an in-person and virtual option available.

- October 8, 2024
- January 14, 2025
- April 8, 2025
- July 15, 2025
- October 14, 2025

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

N/A

FINANCIAL IMPACT
(If none, state N/A)

N/A

STAFF RECOMMENDATION

Recommended motion:

“I move that [insert name here] be appointed to serve as the CDA Representative on the Tech Park Advisory Board”

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

N/A



CDA Agenda Item

Meeting Date:	09/19/2024
Agenda Item:	Discussion and possible action regarding Subordination Agreement Between the CDA and Shabani Investments, LLC
Staff Contact (name, email, phone):	Taylor Zeinert Email: tzeinert@whitewater-wi.gov Phone: 262-473-0148

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

On June 12, 2024, the CDA entered into a \$50,000 Façade Loan Agreement with Shabani Investments, LLC secured by a Real Estate Mortgage, Assignment of Leases and Rents and Security Agreement recorded in the Walworth County Register of Deeds Office as Document No. 1096703 (the “CDA Mortgage”). The CDA Mortgage is in third place behind two loans from First Citizens State Bank (FCSB) totaling \$835,345.40 (the “Senior Mortgage”). Shabani Investments, LLC is consolidating the two FCSB loans comprising the Senior Mortgage into one loan. FCSB is requesting that the CDA execute the attached Real Estate Mortgage Subordination Agreement which would now place the CDA Mortgage in second position behind FCSB (essentially no change to the CDA’s position).

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

The document has been reviewed and approved by CDA Legal Counsel Rick Manthe.

FINANCIAL IMPACT
(If none, state N/A)

None.

STAFF RECOMMENDATION

Staff recommends approval.

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

- Proposed Real Estate Subordination Agreement between the CDA and Shabani Investments, LLC.
- Copy of Real Estate Mortgage, Assignment of Leases and Rents and Security Agreement/Fixtures Filing recorded in the Walworth County Register of Deeds Office on June 27, 2024 as Document No. 1096703.

REAL ESTATE MORTGAGE SUBORDINATION AGREEMENT

In consideration of Lender's granting any extension of credit or other financial accommodation to Shabani Investments LLC

whether one or more), to Mortgagor and another, or to another guaranteed or indorsed by Mortgagor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned Mortgagee ("Mortgagee") hereby subordinates to First Citizens State Bank ("Lender"), whose address is 207 W. Main Street, Whitewater, WI 53190

in the manner and to the extent described in this Agreement all interests, rights and title in the property described in paragraph 1 together with all privileges, hereditaments, easements, and appurtenances, all rents, leases, issues, and profits, all claims, awards and payments made as a result of the exercise of the right of eminent domain, and all existing and future improvements and fixtures, if any (the "Property") under a mortgage from Mortgagor to Mortgagee dated 6/14/2024, and recorded in the office of the Register of Deeds of Walworth County, Wisconsin, on 6/27/2024, as Document No. 1096703 in n/a (VOLUME, PAGE, ETC)

("Mortgagee's Mortgage").

1. Description of Property. The legal description of the Property is as follows:

Recording Area
Name and Return Address
First Citizens State Bank
207 W. Main Street
Whitewater, WI 53190
/OT 00003
Parcel Identifier Number

[X] If checked here, the description continues or appears on page 2 or attached sheet.

2. Superior Obligations. Mortgagee's right, title and interest in the Property as against any person other than Lender or Lender's assignees is expressly reserved and not affected by this Agreement. As between Mortgagee and Lender, the priorities granted Lender by this Agreement are limited to and shall not exceed the obligations checked below ("Obligations"), provided the same are in fact secured by one properly recorded mortgage on the Property from Mortgagor to Lender dated 9/20/2024 ("Lender's Mortgage"):

[X] (a) The following note(s):
Note #1 dated 9/20/2024, in the sum of \$ 835,345.40, plus interest, from Shabani Investments LLC (Name of Maker) to Lender;
Note #2 dated, in the sum of \$, plus interest, from (Name of Maker) to Lender;

and any renewals, extensions or modifications thereof, but not increases in principal amount.

[] (b) The sum of, plus interest.

[X] (c) All present and future credit extended by Lender to Mortgagor, to Mortgagor and another, or to another guaranteed or indorsed by Mortgagor.

3. Priority. Mortgagee agrees that the lien of Lender's Mortgage shall be prior to the lien of Mortgagee's Mortgage described above to the extent and with the effect described in paragraph 4 on page 2.

Mortgagee agrees to the Additional Provisions on page 2.

Signed and Sealed September 20, 2024 (Date)

Community Development Authority of the City of Whitewater (SEAL)

(Type of Organization)

By: Greg Majkrzak, Chairman (SEAL)
By: Taylor Zeinert, Executive Director (SEAL)
By: (SEAL)
By: (SEAL)

AUTHENTICATION

OR

ACKNOWLEDGMENT

Signatures of
authenticated this day of

State of Wisconsin
County of Walworth
This instrument was acknowledged before me on
by Greg Majkrzak and Taylor Zeinert

Title: Member State Bar of Wisconsin or authorized under Sec. 706.06, Wis. Stats.

This instrument was drafted by:
Michell I Bucholtz - First Citizens State Bank

(Name(s) of person(s))
as Chairman and Executive Director
(Type of authority, e.g., officer, trustee, etc., if any)
of Community Development Authority of the City of Whitewater
(Name of party on behalf of whom instrument was executed, if any)

(Notary Signature)

Notary Public,
My Commission Expires:

*Type or print name signed above

ADDITIONAL PROVISIONS

4. **Division of Proceeds.** To the extent Mortgagee is entitled to them by virtue of Mortgagee's Mortgage, all claims, awards and payments made as a result of the exercise of the right of eminent domain against the Property, or any part, all rents, income or profits of the Property, all compensation received for the taking of the Property, or any part, by condemnation proceedings, all compensation received as damages for injury to the Property, or any part, all proceeds from insurance on improvements to the Property, and all net proceeds arising from a foreclosure against the Property or a deed given in lieu of foreclosure ("Payments"), shall, as between Mortgagee and Lender, be paid, distributed or otherwise dealt with in the manner and to the extent required by the terms and conditions of Lender's Mortgage, notwithstanding terms and conditions to the contrary contained in Mortgagee's Mortgage, until the Obligations are paid in full or Lender's Mortgage is satisfied. If any Payments are received by Mortgagee before the Obligations are paid in full or Lender's Mortgage is satisfied, Mortgagee shall deliver the Payments to Lender for application to the Obligations, indorsed or assigned, if necessary, to effect transfer to Lender. Payments made or received after satisfaction of Lender's Mortgage or payment in full of the Obligations shall be paid, distributed or otherwise dealt with as though this Agreement did not exist.

5. **Protective Advances.** If Mortgagor fails to perform any of Mortgagor's duties set forth in Mortgagee's Mortgage or in Lender's Mortgage, and if Mortgagee or Lender performs such duties or causes them to be performed, including paying any amount so required ("Protective Advances"), the Protective Advances shall be added to the Obligations if paid by Lender or, if paid by Mortgagee with the consent of Lender and secured by Mortgagee's Mortgage, given the priority accorded such advances under the Mortgagee's Mortgage as though this Agreement did not exist.

6. **Modification of Lender's Mortgage.** The Mortgagee agrees that, subject to the provisions of paragraph 2, the Lender shall have the right to modify, amend and change any and all of the terms of the Lender's Mortgage and the indebtedness secured by Lender's Mortgage without any obligation to notify, or to obtain the consent of, Mortgagee and without in any way affecting any of the rights, priorities or interests of Lender set forth in this Agreement.

7. **Successors and Assigns.** This Agreement benefits Lender, its successors and assigns, and binds Mortgagee and its heirs, personal representatives, successors and assigns, and is not intended to benefit any other person or entity.

MUST BE ATTACHED TO REAL ESTATE SUBORDINATION AGREEMENT

PARCEL NUMBER (S): /OT 00003

Real Estate Description Attachment

A part of Lot 1 in Block 1 in the Village, now City, of Whitewater, Walworth County, State of Wisconsin, bounded and described as follows: Beginning on the South line of said Lot being the North line of Main Street, at a point 18 feet West of the Southeast corner of said Lot, and running thence North and parallel with the East line of said Lot and on the West line of said Lot formerly owned by one Strang 200 feet and thence North to the South line of North Street in said City; thence West along the South line of North Street, 40 feet more or less to the East line of land conveyed to Fred A. McMillan and William J. Bray, by deed recorded in Volume 101 of Deeds on page 544, Walworth County Records; thence South along East line of said lands conveyed to McMillan and Bray to a point on the North line of said Main Street; thence East along the North line of said Main Street 40 feet more or less to the place of beginning. EXCEPTING THEREFROM property conveyed to Werner J. Ketterhagen as recorded in Volume 486 of Deeds, page 61 as Document No. 473119, Walworth County Records.

DOCUMENT#: 1096703
06-27-2024 at 3:55 PM
KATHY KOSTOCK
REGISTER OF DEEDS
WALWORTH COUNTY, WISCONSIN
Pages: 4 Fee Amount: \$30.00

**REAL ESTATE MORTGAGE, ASSIGNMENT OF
LEASES AND RENTS AND SECURITY
AGREEMENT/FIXTURES FILING**

Document Number

***The above recording information verifies
this document has been electronically
recorded and returned to the submitter***

Shabani Investments 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 of \$50,000.00 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 136 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 136 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 a Promissory Note from Mortgagor to Mortgagee bearing even date herewith in the principal sum of \$50,000.00 (the "Note"), to secure payment of and performance of the obligations of Mortgagor to Mortgagee under the Loan Agreement, this Mortgage, the Note, 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 Note 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:

RETURN TO:

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

/OT 00003

(Parcel Identification Number)

This is not homestead property.

This is not a purchase money mortgage.

A part of Lot 1 in Block 1 in the Village, now City, of Whitewater, Walworth County, State of Wisconsin, bounded and described as follows: Beginning on the S. line of said Lot being the N. line of Main Street, at a point 18 feet W. of the SE corner of said Lot, and running thence N. and parallel with the E. line of said Lot and on the W. line of said Lot formerly owned by one Strang 200 feet and thence N. to the S. line of North Street in said City; thence W. along the S. line of North Street, 40 feet more or less to the E. line of land conveyed to Fred A. McMillan and William J. Bray, by deed recorded in Volume 101 of Deeds on page 544, Walworth County Records; thence S. along the E. line of said lands conveyed to McMillan and Bray to a point on the N. line of said Main Street; thence E. along the N. line of said Main Street 40 feet more or less to the place of beginning. Also conveying the right-of-way to North Street. Excepting therefrom property conveyed to Werner J. Ketterhagen as recorded in Volume 486 of Deeds, page 61 as Document No. 473119 Walworth County Records.

1. MORTGAGOR'S COVENANTS.

a. **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: Loans from First Citizens State Bank (the "Senior Mortgage Lender") in the principal sums of \$780,000.00 on September 24, 2021 and \$52,000.00 on February 16, 2024 to provide funds for certain Improvements to the Property, which loans are secured by mortgages on the Property from Owner in favor of Senior Mortgage Lender and recorded in the Office of the Register of Deeds for Walworth County as Document Numbers 1047490 and 1091078, and which loans from the Senior Mortgage Lender are further secured by related assignments of leases and rents in favor of the Senior Mortgage Lender

bearing even date therewith (which loans to Owner by Senior Mortgage Lender and all extensions or renewals of, and refinancings of, but not increases in the principal amounts of, or re-advances of principal with respect to, said loans being hereinafter referred to as the "Senior Mortgage Indebtedness");

b. **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.

c. **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.

d. **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.

e. **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 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 1.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 of 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:

- X 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; (5) 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: June 14, 2024

SHABANI INVESTMENTS LLC

By [Signature]
Ilmi Shabani, Member

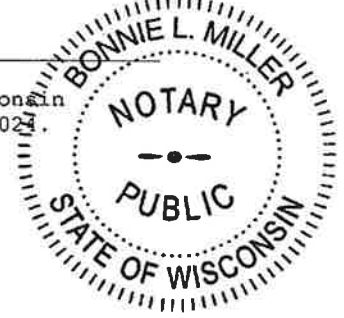
By [Signature]
Urim Shabani, Member

ACKNOWLEDGMENT

STATE OF WISCONSIN)
) SS
COUNTY OF Walworth)

Personally came before me this 14th day of June, 2024 the above named Ilmi Shabani and Urim Shabani, to me known to be the persons who executed the foregoing instrument and acknowledged the same as the duly-authorized act and deed of Shabani Investments LLC, a Wisconsin member-managed limited liability company.

Bonnie L. Miller
Bonnie Miller, Notary Public
Walworth County, State of Wisconsin
My commission expires: 08/26/2024.



THIS INSTRUMENT DRAFTED BY:
James J. Wawrzyn
State Bar No. 1059563



CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	Sunk Costs of 108 Main
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

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

At the August CDA Meeting, CDA Member Hicks requested a report of all of the sunk costs related to CDA owned property on 108 East Main, formerly known as the Baker building. The purchase of property was approved at the December 21, 2023 CDA Meeting under CDA Director’s Berg leadership.

As of now, the CDA has spent \$90,275.33 on this property.

At the August CDA Meeting, the Authority approved a new roof on the building at a price of \$19,900. After the CDA Meeting, staff was alerted that the basement of the building had a crack in the foundation and water has been seeping into the basement. The costs associated with the repairing the foundation will be presented later this meeting.

Additionally, staff was under the assumption that this property was in a flood plain. When investigating more about the flood plain zone, EDD Zeinert discovered that staff’s assumption of this being in a flood plain was wrong. The building is not in a flood plain.

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

N/A

FINANCIAL IMPACT
(If none, state N/A)

N/A

STAFF RECOMMENDATION

N/A

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

- DNR Map
- Sunk costs from Karen Dieter

Date	Description	Amount
04/08/2024	DEPT OF UTILITIES MARCH 2024 108 W MAIN ST	43.44
04/30/2024	108 W MAIN GAS-WE ENERGIES	15.41
04/30/2024	108 W MAIN ELECTRIC-WE ENERGIES	22.59
04/30/2024	108 W MAIN ELECTRIC-WE ENERGIES	31.90
05/24/2024	APRIL 2024 WE ENERGIES 108 W MAIN	9.90
05/24/2024	APRIL 2024 WE ENERGIES 108 W MAIN	17.52
05/24/2024	APRIL 2024 WATER/SEWER 108 W MAIN	42.03
05/24/2024	APRIL 2024 WE ENERGIES 108 W MAIN	28.55
06/11/2024	MAY 2024 WATER SEWER 108 W MAIN	42.03
06/26/2024	MAY 2024 UTILITIES 108 W MAIN ST	19.36
06/26/2024	MAY 2024 UTILITIES 108 W MAIN ST	31.23
06/26/2024	MAY 2024 UTILITIES 108 W MAIN ST	10.89
08/01/2024	108 W Main 05-2024 Utilities	97.19
	Purchase price	5,000.00
	Earnest Money	84,863.29
	Total spent to date	90,275.33



Surface Water Data Viewer Map



Legend

Item 8.

2D Water Surface Elevation Grid

- High : 937.629
- Low : 853.184

Dams

- Dam
- FERC and FERC Exempt Dam
- Cranberry Dam
- Removed Dam
- Structure not on Waterway
- <all other values>

Levees

+ Geomarks

Floodplain Analysis Lines

- Case by Case Analysis for Development in Floodplain
- Dam Failure Analysis
- Encroachment Analysis
- Flood Insurance Study
- Flood Storage Analysis
- Floodplain Study (Locally Funded)
- Hydrology/Hydraulics developed at a Dam
- <all other values>

Floodplain Analysis Catchments

Floodplain Analysis Points

- Case by Case Analysis for Development in Floodplain
- Dam Failure Analysis
- Encroachment Analysis
- Flood Insurance Study
- Flood Storage Analysis
- Floodplain Study (Locally Funded)
- Hydrology/Hydraulics developed

Notes



DISCLAIMER: The information shown on these maps has been obtained from various sources, and are of varying age, reliability and resolution. These maps are not intended to be used for navigation, nor are these maps an authoritative source of information about legal land ownership or public access. No warranty, expressed or implied, is made regarding accuracy, applicability for a particular use, completeness, or legality of the information depicted on this map. For more information, see the DNR Legal Notices web page: <http://dnr.wi.gov/legal/>

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1: 990



CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	Discussion and possible action regarding repairs to the foundation wall at 108 West Main Street
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

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

Maintenance staff alerted CDA staff that there is a large crack in the basement of 108 W. Main Street. Upon staff inspection, a large crack was noticed. Staff contacted three contractors specializing in foundation repairs to schedule an inspection and obtain an estimated cost to make all required repairs.

Previously, staff has an email from Russell Walton estimating the projected repairs at \$30,000 – \$35,000. Staff also received a quote from Acculevel for the projected repairs at \$53,686. Staff contacted Badger Basements who did a preliminary site visit last Saturday. Due to the severity of the situation, they are hesitant to take on this project and are internally discussing whether or not this project is something they want to pursue.

Staff is requesting that the CDA discuss whether they want to make the updates to the property or have the staff prepare an RFP for Demolition of the building.

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

N/A

FINANCIAL IMPACT
(If none, state N/A)

N/A

STAFF RECOMMENDATION

- Staff recommends either of the following motions:
- I move to approve the contract with Acculevel in the amount of \$53,686.
 - I move to direct staff to draft an RFP for Demolition of 108 Main Street

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

- Pictures of the Current State of the Foundation
- Estimate from Russ Walton
- Estimate from Acculevel
-

RR Walton & Company, Ltd.
 1005 W. Main Street, Ste C
 Whitewater WI 53190

Estimate

Date	Estimate #
3/4/2024	1650

Name / Address
City of Whitewater Attn: Bonnie Miller 312 W. Whitewater St Whitewater, WI 53190

			Project
Description	Qty	Cost	Total
BAKER BUILDING		0.00	0.00
Repair basement wall on the north side. Interior wall demolition in the basement and replace with new footing.		0.00	0.00
\$30,000 - \$35,000			
Exempt		0.00%	0.00
Total			\$0.00

Customer Signature _____



This evaluation was prepared for:

Bonnie Miller- COMM
108 West Main Street
Whitewater, Wisconsin 53190
bmiller@whitewater-wi.gov

Evaluated on:

Thursday, September 05, 2024

Evaluated by:

Zachary

zwarren@acculevel.com

Acculevel - Indiana

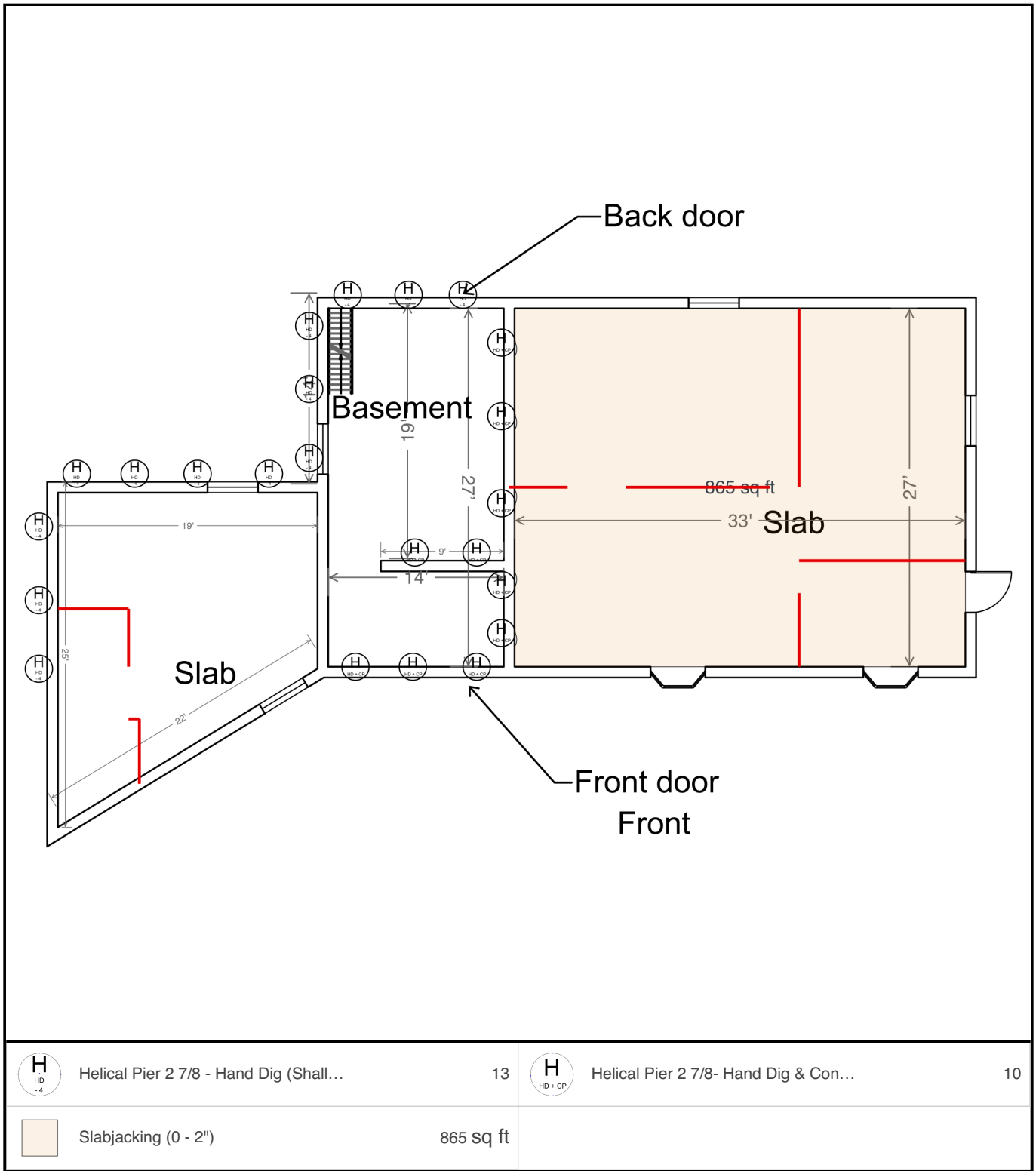
8233 West St Rd 26

Rossville, IN 46065

Office: 866-955-3723

www.acculevel.com

Detail Plan



Acculevel - Indiana

www.acculevel.com
office@acculevel.com
 866-955-3723

8233 West St Rd 26
 Rossville, IN 46065



Date 09-05-2024 **Job Number** Q-67116

Site Address 108 West Main Street, Whitewater, Wisconsin 53190

Client Details

Bonnie Miller- COMM
bmiller@whitewater-wi.gov
 108 West Main Street
 Whitewater, Wisconsin 53190

Project Advisor

Zachary
zwarren@acculevel.com

Product List

Description	Quantity	Amount
Helical Pier 2 7/8 - Hand Dig (Shallow Footing 4 feet or less)		\$29,276
Base Price:	13	
Add Angle Iron:	13	
Helical Pier 2 7/8- Hand Dig & Concrete Patching (Shallow Footing 4 feet or less)		\$23,210
Base Price:	10	
Engineering Fee		\$1,200
When engineer is needed any fees for drawing, letter, or stamp will be transferred to the customer (based on permit requirements). Invoice available for customer viewing.		
Base Price:	1	
	Subtotal	\$53,686
	Total	\$53,686

Payment

Deposit \$26,843.00
Balance \$26,843.00

Additional Information

Payment Method

Check

Warranties

LIFE OF THE STRUCTURE ANCHOR TRANSFERABLE WARRANTY

Products Not Included (Recommendation Only)

This page is for informational purposes only and in no way is it stating the below recommendations are required or needed.

Description	Quantity	Amount
Slabjacking (0 - 2")		\$10,899.00
Base Price:	865 sq ft	
	Subtotal	\$10,899.00

CUSTOMER CHECKLIST

JOB SITE PREPARATIONS

Where Applicable

- Remove personal belongings at least 4' away from the wall and cover them, as well as any electronics, furniture, or other items
- Temporarily turn off Air Conditioner, Furnace, shut off all fans and cover vents while work is in progress
- Please note that when excavation is required Acculevel will leave soil in rough grade, a landscaper may be required.
- With our piers, jacks/beams, and slabjacking we can attempt lift but can not guarantee
- Cosmetic damage in the home, drywall, doors, etc. can happen when attempting lift or stabilizing that Acculevel is not responsible for repairing
- Pier depth charge for any pier that goes past 21'
- Final payment due upon completion



Acceptance: I have read and fully understand all of the terms and conditions of this contract below and all other pages and sides. Acculevel is authorized to do the work as set forth in this contract and subject to its terms. Customer agrees to pay 1-1/3% in monthly interest (16% per annum) on any unpaid amounts and all costs of collection including attorney fees and costs.

You, the Customer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction, or as otherwise provided by statute depending on your state. See the attached Notice of Cancellation form for an explanation of this right or otherwise provided by the Project Manager.

This proposal is an offer for offers and becomes a contract when signed by Customer and accepted by Acculevel or the Project Manager and Acculevel may elect to reject and rebid the job at anytime prior to its acceptance. The contract is our only agreement and any other discussion, promises, representations, or understandings are replaced by the contract. Anything not in writing in the contract is not binding on either party. The contract can only be changed if the change is put in writing and signed by Customer and Acculevel. The contract is made under and subject to Indiana law. Any claim by Customer arising out of this contract, the work performed, or the relationship of the parties shall be submitted to arbitration before the American Arbitration Association. If Acculevel is found liable under any legal theory, Acculevel's maximum liability, whether based on contract, tort, or otherwise, is the greater of the amount the Customer paid to Acculevel, or \$500.00. As a condition precedent to any right to file any claim against Acculevel, Customer must first provide 30 days' written notice of any claim, by certified mail. Further, Acculevel shall have the right, but not the obligation, to submit the matter to non binding mediation in Tippecanoe County, Indiana, within 30 days of Acculevel's receipt of Customer's notice of claim. Notwithstanding the foregoing, Acculevel may pursue any collection matter for non-payment, foreclosure or enforcement of lien, or rights to indemnification by Customer in state court in Tippecanoe County, Indiana, or other venue as may be required by law. If Acculevel prevails in any claim, Acculevel will be entitled to recover court and arbitration costs, attorneys' fees, and other legal expenses from the Customer. Without waiving the foregoing limitations of remedies, **CUSTOMER, TO THE MAXIMUM EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY.**

TERMS AND CONDITIONS

Please read this entire document carefully. It will help you prepare for the work to be performed, and it will also explain certain limitations on the scope of work and the responsibility of Acculevel

A. Preparation of the Residence:

1. Remove Personal Items. Customer is responsible for the removal and replacement of all personal items in areas where work is being performed. Customer should move personal items at least four feet from the wall where work will be performed. If the work includes encapsulation systems, all items must be removed from the crawlspace. Acculevel is not responsible for damage to any of Customer's personal property.
2. Prepare Work Area. If Acculevel deems it necessary, customer must make the work area bare and free of obstructions. Such work includes the removal of interior coverings on walls and floors to give full access to the work area.
3. Non-Preparation. If the work area(s) are not properly prepared on the day of work is to be performed, Acculevel may assist the homeowner with the preparation of the areas(s) and may charge a fee.
4. Prepare for Dust. Acculevel's work performed in or around your house often times creates dust. We always do our best to prevent and /or keep dust to a minimum. However, we cannot always prevent dust from circulating. Because of this, you need to take the following actions: Remove electronics and sensitive items from the basement or crawlspace; completely shut down your furnace and or air conditioner while the work is being performed; close off or cover all vents and the intake filter on your furnace; Remove or cover all items that you want to protect from dust.

B. Preparation for Excavation and After Excavation:

1. Underground Utilities. Acculevel must call and have all underground utilities marked prior to Acculevel

conducting any work which involves excavation on the exterior of the home. Customer must call 3-5 days prior to Acculevel starting work. Indiana Underground or Kentucky811 may not provide exact locations for all utility lines. If customer wants to limit the possibility of error in the location of utilities, Customer should retain a locating service company to make all lines. Acculevel is not responsible for any damage done to buried and/ or concealed electrical, cable, gas, telephone, sewer, water, plumbing, TV, or radiant heat lines.

2. Mines and Other Abnormal Underground Conditions. Prior to Acculevel starting work, customer must identify and disclose to Acculevel any underground mines or other abnormal underground conditions.

3. Landscaping. If piers are being installed, walls straightened, or foundation replaced, excavation will likely disrupt or destroy customer's landscaping, bushes, flowers etc. Acculevel will not intentionally disrupt the landscaping more than reasonably necessary; however, Customer should remove any landscaping that Customer does not want damaged because Acculevel is not responsible for any damages that result from excavation.

4. After Excavation. Acculevel will back fill the excavated area to a rough grade only. Excavated dirt may need to settle up to one year before final grading can be completed. Acculevel will not complete final grading and all costs associated with final grading are Customer's responsibility.

C. Work:

1. Original Quote. This contract is based upon the above ground inspections by Acculevel's representatives and descriptions of the symptoms of failures provided by the Customer. The price quote assumes normal standards of construction as determined by standard building codes and practices.

2. Scope of Work. Acculevel's services are intended to stabilize, and in some cases, lift falling structures, deteriorating foundations, or concrete slabs. Acculevel does not guarantee or warrant that cracks or other cosmetic defects in the foundations, walls or concrete slabs or other portions of the structure will be fixed through the stabilization process. Customers may repair cosmetic defects at Customer's own cost after Acculevel's work is completed.

3. Repair Techniques. Acculevel reserves the right to deviate from the repair techniques stated in this contract as required to complete the work properly without the consent of the Customer, provided that there is no additional charge to the Customer.

4. Unanticipated conditions. If, after commencing work, unanticipated conditions are discovered, Acculevel has the right to charge the client additional, reasonable compensation for all labor and material costs incurred or as agreed to per a signed Change Order provided to Customer. Customer or Acculevel may terminate the contract in the event of unanticipated conditions disclosed by Acculevel by providing written notice to the other party; provided, however, in the event of termination, Customer will be responsible for paying for all labor performed and materials installed to the date that Acculevel receives the notice of termination.

5. Final Walk Through. Customer must be present at the time that the project is completed to perform a final walk-through inspection and final payment is due at that time.

6. Delays. Acculevel may not be able to comply with the start and completion dates in this contract because of weather, materials or equipment shortages, unexpected rock or moisture near foundations, poor building practices, damage from previous repairs, illness, or acts of God. These problems could occur as a result of this contract, other Acculevel contracts, or Acculevel's suppliers' operations.

D. Specific Services:

1. Lifting, Straightening and Moving the Structure. When attempting to lift, straighten, or move a portion of the structure, damage to the structure is an inherent risk, and Customer hereby releases Acculevel from any liability for damages to the structure. When Acculevel has lifted any structure which is supporting wood

framing components, Customer must wait at least six months before performing cosmetic repair, and Acculevel may delay performance of any final adjustments to the previous work until six months have elapsed since the completion of any previous work.

2. Installation Piers and Tiebacks. This contract only contemplates the installation of piers or tiebacks to a depth of twenty- one feet. In the event that a pier or tieback must be installed beyond twenty-one feet to reach the ultimate capacities, an additional charge of twenty dollars per linear foot per pier will apply, unless otherwise specified.

3. Concrete Slab Lifting (Slab Jacking). If the concrete slab is over 5 years old at the time Acculevel performs its work and the concrete slab settles more than 1/4" inch within 5 years after Acculevel performs its work, then Acculevel will re-pump the void under the concrete slab, one additional time at no additional cost the Customer. A re-pump consists of using the same holds originally used to pump and raise the concrete slab. Acculevel will not re-pump the concrete slab if; (I) the Customer does not seal all cracks and joints on the concrete slabs and maintain backfill along the concrete slabs involved, (II) if resetting occurs as a result of flooding, or (III) resettling as a result of any other acts of God.

4. Encapsulation. When Acculevel installs an encapsulation system, it recommends that the perimeter drainage system be installed to drain any water which might collect on the surface of the encapsulation system. If Customer chooses not to install a perimeter drainage system with an encapsulation system, then customer releases Acculevel from any responsibility, warranty, or liability resulting for water collection on the surface of the encapsulation system or any consequences of such.

5. Water Remediation. I. Pumping and Dehumidification. Acculevel will provide pumps and dehumidification systems based on normal remediation requirements. Customer is responsible for and must provide at Customer's expense, the electricity needed to operate all required pumps and dehumidification systems. II. Discharged water; Acculevel does not provide a system for the disposition of water once the water is discharged from the discharge line. Direction the water away from the discharge line is important and is Customer's responsibility. III. Additional Pumping Requirements after Completion. If additional pumping capacity is found to be needed after Acculevel has completed the project Customer is responsible for all material and labor costs for the installation of additional products. Iv. Customer improvement after installation. After Acculevel performs water remediation services or is installed as a water drainage system in a basement, Customer agrees to wait to finish to improve the basement for at least six (6) months after Acculevel completes its services. This waiting period is necessary to evaluate whether the water remediation issue has been fixed or needs additional services.

E. Warranty:

1. Limited Warranty. Subject to section (F). Acculevel warrants the work it performs in accordance with this section €. All warranties are limited to the products provided and the areas specifically addressed and are activated only upon receipt of payment in full under this contract. Acculevel does not warrant or guarantee areas of the structure that are not specifically addressed. Acculevel does not warrant or guarantee the effectiveness of any products or systems if Acculevel's recommendations were not followed and installed.

2. Warranty Certificates. Acculevel will provide to the Customer copies of all warranty certificates that apply for any products or systems installed by Acculevel. The warranty certificates state all of Customer's rights related to such products and are incorporated into this contract by reference. Copies of the warranty certificates are available upon request. Acculevel makes no warranties, express or implied, that are not stated in the certificates provided to Customer, and Acculevel specifically disclaims the implied warranty of fitness for a particular purpose and the implied warranty of merchantability.

3. Incomplete or Modified Products or Systems. All warranties are null and void of the product or system, or any part of the product or system, is (a) partially installed or not complete, (b) not installed by Acculevel, or (c) modified by any other party than Acculevel without Acculevel's express written approval.

4. Removal, Covering, or Defacing Benchmarks. All warranties are null and void if Customer removes, covers, or defaces benchmarks installed by Acculevel or a contractor without Acculevel's express written approval.

F. Disclaimers:

1. Mold, Radon, Sewer, Seepage, and Backup. Acculevel is not responsible for any mold or radon gas problems or sewer seepage or back-ups.

2. Mine Subsidence. Acculevel is not responsible for any damage related to mine subsidence or other abnormal underground conditions, and Acculevel's services will not remedy any issues related to such conditions. The existence of mine subsidence or other abnormal underground conditions will be determined in Acculevel's discretion.

3. Disclaimers. Acculevel is not responsible for any damage to walls and wall coverings (interior and exterior), floors and floor coverings, doors, windows, or other parts of the structure, landscaping or other personal property of any kind that result from the work being performed.

4. **WAIVER OF DAMAGES.** IN NO EVENT SHALL ACCULEVEL BE LIABLE, WHETHER BASED ON CONTRACT OR TORT, UNDER ANY WARRANTY OR OTHERWISE, RELATING TO OR ARISING OUT OF THE WORK OR THIS CONTRACT FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INDIRECT, SPECIAL, PENAL OR INCIDENTAL LOSS, DAMAGE OR INJURY, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF USE OF THE PROJECT AREA, BUSINESS INTERRUPTION, LOSS OF OPPORTUNITY, AND LOSSES OR COSTS BASED ON THIRD PARTY CONTRACTS. CUSTOMER AND ACCULEVEL AGREE THAT CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AGAINST ACCULEVEL FOR THE WORK PERFORMED UNDER THIS CONTRACT IS THE APPLICABLE WARRANTIES, IF ANY, NOTWITHSTANDING THE FOREGOING, IF ACCULEVEL IS FOUND LIABLE FOR ANY LOSS OR DAMAGE UNDER ANY LEGAL THEORY, ACCULEVEL'S MAXIMUM LIABILITY, WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE IS THE AMOUNT CUSTOMER PAID TO ACCULEVEL FOR THE WORK PERFORMED UNDER THIS CONTRACT OR \$500.00 WHICHEVER IS GREATER.

G. Severability: The invalidity or unenforceability of any the provisions of this contract shall not affect the validity or enforceability of any other provision of this contract, which shall remain in full force and effect.

H. 21 Point Inspection Annual Maintenance Program: Customer has been presented with and reviewed the 21 Point Inspection Annual Maintenance Program ("Inspection Program"). Customer accepts or rejects the Inspection Program by initialing on page 1. If Customer rejects the Inspection Program, Customer agrees to check, clean, test and inspect, at their own cost, all of the items covered in the Inspection Program at least annually.

I. Indemnification: Customer shall indemnify and save harmless Acculevel from any claim, demand, loss, liability, cost or expense (including, but not limited to, reasonable attorney fees and court costs) of whatsoever nature, kind or description, arising out of or in connection with Customer's acts or omissions related to this contract, including but not limited to failure to perform or inaccurate disclosure of the requirements in section (B) of this contract.

Customer Signature

Date

Authorized Rep. Signature.

Date

NOTICE OF CANCELLATION

Date of Transaction (date when contract signed by Customer): _____

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the about date.

(Saturday is considered a business day; Sunday and federal holidays are not.)

If you cancel, any property traded in, any payments made by you under the contract of sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Notice of Cancellation or any other written notice, or send a telegram to Acculevel, Inc. at 9495 N. Waldron Rd., Rossville, IN 46065

NOT LATER THAN MIDNIGHT THREE (3) BUSINESS DAYS AFTER THE DATE YOU SIGN THE CONTRACT.

I HEREBY CANCEL THIS TRANSACTION.

Date: _____

Buyer's Signature: _____

Buyer's Printed Name: _____

Keep 1 Copy for Your Records

NOTICE OF CANCELLATION

Date of Transaction (date when contract signed by Customer): _____

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the about date.

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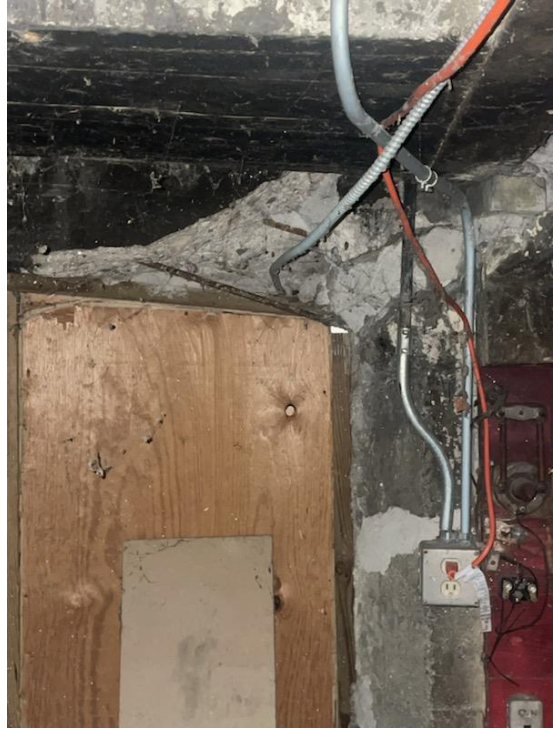
To cancel this transaction, mail or deliver a signed and dated copy of this Notice of Cancellation or any other written notice, or send a telegram to Acculevel, Inc. at 9495 N. Waldron Rd., Rossville, IN 46065
NOT LATER THAN MIDNIGHT THREE (3) BUSINESS DAYS AFTER THE DATE YOU SIGN THE CONTRACT.
I HEREBY CANCEL THIS TRANSACTION.

Date: _____

Buyer's Signature: _____

Buyer's Printed Name: _____







CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	126 North Jefferson Update
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

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

As I have started to settle into Economic Development, it has come to my attention that the CDA owns the building at 126 North Jefferson Street.

Staff toured the building recently, and it is clear that this building meets the definition of blighted. When investigating why the purchase of this property was made, I was referred to the February 2023 CDA Minutes. From those minutes, it has become apparent that this parcel was purchased by the CDA to help facilitate a future development project.

Staff would like to continue this facilitation. To do so, staff has drafted a Request for Proposals (RFP) regarding 126 North Jefferson Street. Staff is looking for the approval of the RFP to move forward with demolition of the building.

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

At the February 16, 2023 CDA Meeting, the following motion was approved “to make an offer to purchase not to exceed \$150,00 to purchase a parcel of vacant land at 104 East Main Street and the commercial property at 126 North Jefferson Street from Rod and Mary Dalee”. The motion passed by unanimous roll call vote.

FINANCIAL IMPACT
(If none, state N/A)

On August 1, 2023, the City closed on the purchase of the East Main Street parcel and the Jefferson Street Parcel at a combined total cost of \$150,000.

STAFF RECOMMENDATION

- Staff recommends the following motion:
- Move to approve the RFP for demolition of 126 North Jefferson Street

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

- Draft of Request for Proposal of Demotion
- Copy of February 16, 2023 Minutes.
- Copy of August 1, 2023 Closing Statement – 126 N. Jefferson Street



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

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

Request for Proposals (RFP) Demolition of 126 North Jefferson Street City of Whitewater, Walworth County, Wisconsin

The Community Development Authority of the City of Whitewater (CDA) was established with a mission to promote development (industrial and downtown redevelopment) projects. The CDA is soliciting proposals for the demolition of 126 North Jefferson Street in the City of Whitewater, Walworth County, Wisconsin (the “Project”). The Project and the selected proposal will meet the goal of redevelopment while encouraging a high quality of life, places of employment, and an increase in the general property tax base of the City.

PROJECT OVERVIEW:

- Site Location: 126 North Jefferson Street (See Exhibit A - Site Map)
- Property Type: Commercial
- Parcel: Tax Parcel No. /BIRW00003A
- Adjacent Parcel: Part of Tax Parcel No. /BIRW00002
- Existing Structures: One Structure

SCOPE OF WORK:

The selected contractor will be responsible for the following tasks:

- 1. Permits and Approvals**
 - Obtain all necessary permits and approvals from the City of Whitewater for demolition. Permit fees shall be paid by the CDA.
- 2. Site Preparation:**
 - Erect safety barriers and signage around the site.
 - Ensure compliance with all safety and environmental regulations.
- 3. Demolition:**
 - Coordinate with gas, electric, phone, cable, water, etc. for disconnections.
 - Demolish and remove all structures, foundations, surface material and debris from the site. Contractor responsible for disposal and costs.
 - Perform all work in accordance with industry standards and local regulations.
- 4. Site Clearing:**
 - Remove any remaining debris and grade the site to specified conditions.
 - Ensure proper disposal of all materials, including hazardous waste if applicable.
[insert North Star Environmental findings re: lead and asbestos]



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

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

5. Site Restoration:

- Restore the site to match grade and in a clean condition suitable for future development.
- Completion Date: May 31, 2025.

PROPOSAL REQUIREMENTS:

Interested contractors should submit a proposal that includes the following:

1. Company Information:

- Name and contact details of the company.
- Overview of the company, including experience and qualifications.
- References from similar projects completed within the last three years.

2. Project Approach:

- Detailed description of the proposed approach to the demolition
- Timeline for completing the project
- Safety measures and procedures

3. Cost Proposal:

- Detailed cost breakdown, including labor, materials, equipment, and other expenses
- Payment terms and conditions

4. Compliance:

- Proof of insurance and bonding
- Compliance with all local, state, and federal regulations

SUBMISSION INSTRUCTIONS:

- **Deadline for Submission:** October 30, 2024
- **Submission Method:** Proposals must be submitted electronically or in hard copy to:

City of Whitewater
 Attention: Taylor Zeinert, Economic Development Director
 312 West Whitewater Street
 Whitewater, WI 53190
tzeinert@whitewater-wi.gov

CONTACT FOR QUESTIONS: For any questions or further information, please contact Taylor Zeinert, Economic Development Director, at: tzeinert@whitewater-wi.gov (262) 473-0148.



**City of
WHITEWATER**
Community Development Authority
Board of Directors Meeting
MINUTES

Thursday, February 16, 2023

1) Administrative Items.

- a) **Call to Order:** Vice Chair Jim Allen called the meeting to order at 5:30 p.m.
- b) **Roll Call:** PRESENT: Jim Allen, Lisa Dawsey-Smith, Joe Kromholz, Jason Gleason, Jon Kachel; ABSENT: Patrick Singer. STAFF: John Weidl (City Manager); Brad Marquardt (Director of Public Works); Bonnie Miller (Administrative Assistant); Kristen Fish-Peterson, Consultant (Redevelopment Resources).
- c) **Declaration of Conflict of Interest:** Would any member(s) of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda? None stated.
- d) **Hearing of Citizen Comments:** No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time. None.

- 2) Approval of Minutes:** Moved by Dawsey-Smith to approve the Minutes of the January 19, 2023 CDA Board Meeting; seconded by Gleason. AYES: All by voice vote (5); NOES: None; ABSENT: Singer.

3) Review and Acknowledge Financial Statements:

Financials for Period Ending January 31, 2022 (Pending).

4) Action Items:

- a) Moved by Dawsey-Smith to acknowledge resignation of Board Member Jake Gildemeister effective 02-03-2023; seconded by Kachel. AYES: All by voice vote (5); NOES: None; ABSENT: Singer.

Note: Singer enters the meeting.

- b) Moved by Dawsey-Smith to approve the Second Amendment to Cash Rent Farm Lease regarding approximately 90.2 acres of tillable land in the Whitewater Business and Technology Park; seconded by Allen. AYES: All by voice vote (6); NOES: None; ABSENT: None.

5) Updates and Discussion:

- a) City Manager Weidl introduced Kristen Fish-Peterson of Redevelopment Resources who has been engaged by the City to help determine what the most important things our next CDA Director will need to handle and to be with us through the recruitment process. Discussion included what is most important for the CDA to do as a part of that process. Ms. Fish-Peterson

discussed project analysis, the difference between Community or publicly driven development and development of publicly-owned property, the components of area planning, and the eight steps to the development process and potential obstacles to (re)development. (Meeting video can be found at: <https://vimeo.com/799695570>).

- b) Economic Development Activity Report. Weidl stated that a Development Agreement discussed at 02/16/2023 CDA meeting has been sent to the developer for review and signature. Next step would be a referral to Common Council for approval.

6) Board Member Requests for Future Agenda Items:

- a) Create policy between the CDA and City regarding transfers of residual equity from the CDA to the City.
 b) Improvement of the physical condition of Lot 9B in the Business Park.
 c) CDA Alternative Revenue Streams.
 d) Director to visit (virtual/in-person) with Whitewater's employers.
 e) Recruit Developer that would include a grocery merchant.

(The above matters may be discussed at this meeting but no substantive action will be taken.)

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

(a) Deliberating acquisition of 126 North Jefferson Street (Tax Parcel /BIRW 00002) and Vacant Land at 104 East Main Street (Tax Parcel /BIRW 00002).

(b) Letter of Intent regarding potential mixed-use development on East Main Street/Jefferson Street.

Seconded by Allen. Kristen Fish-Peterson, two representatives from the Whitewater Gro-Co, and Jon Tanis were invited to join the closed session to make brief statements to the Board and then were dismissed from closed session prior to discussion and deliberation of closed session items. AYES: Kachel, singer, Allen, Gleason, Kromholz, Dawsey-Smith; NOES: None. ABSENT: None.

8) RECONVENE INTO OPEN SESSION. Moved by Dawsey-Smith to reconvene into open session for possible action on Closed Session items; seconded by Kachel. AYES: All by voice vote (6); NOES: None; ABSENT: None.

Moved by Allen to make an offer to purchase not to exceed \$150,000 to purchase vacant land at 104 East Main Street and commercial property at 126 North Jefferson Street to Rod and Mary Dalee. Seconded by Gleason. AYES: Dawsey-Smith, Singer, Gleason, Kachel, Kromholz, Allen; NOES: None; ABSENT: None.

Moved by Allen to accept the Letter of Intent to Tanis Properties, LLC; seconded by Dawsey-Smith. AYES: Kromholz, Kachel, Allen, Dawsey-Smith, Gleason, Singer; NOES: None; ABSENT: None.

9) Adjournment. Moved by Allen and second by Kachel to adjourn. AYES: All by voice vote (6); NOES: None; ABSENT: None. Meeting adjourned.

Respectfully submitted,
 Bonnie Miller, Recorder

Minutes approved on March 16, 2023.

REAL ESTATE CLOSING STATEMENT

SELLER: Roderick O. Dalee and Mary M. Dalee (H/W)
269. N. Franklin St.
Whitewater, WI 53190
BUYER: Community Development Authority of the City of Whitewater, Wisconsin
312 West Whitewater Street
Whitewater, WI 53190
PROPERTY: 126 N. Jefferson Street, City of Whitewater, Walworth County, Wisconsin (Tax Parcel No. /BIRW 00003A)
DATE OF CLOSING: August 1, 2023
PLACE OF CLOSING: Whitewater Municipal Offices
312 West Whitewater Street, Whitewater, Wisconsin

CLOSING/DISBURSING AGENT RESPONSIBLE FOR 1099-S REPORTING OF THIS TRANSACTION: Community Development Authority of the City of Whitewater, Wisconsin

Table with columns: Description, Credit Buyer, Credit Seller. Rows include Purchase Price (\$30,000.00), Chicago Title Insurance Company (\$805.00), Real Estate Tax Proration (405.81), Walworth County Register of Deeds - Real Estate Transfer Fee (90.00), Walworth County Register of Deeds - Recording Fee - Warranty Deed (34.00), Subtotals (\$1,334.81), Less Credit Buyer (-1,334.81), TOTAL PAYABLE TO SELLER AT CLOSING: (\$28,699.19)

DISBURSEMENTS:

Table with columns: Description, Amount. Rows include Chicago Title Insurance Company (\$805.00), City of Whitewater - Prorated 2023 Real Estate Taxes (\$405.81), Walworth County Register of Deeds - Real Estate Transfer Fee (\$90.00), Walworth County Register of Deeds- Recording Fee - Warranty Deed (\$34.00), Roderick O. Dalee and Mary M. Dalee (H/W) - Net Closing Proceeds (\$28,699.19), TOTAL DISBURSEMENTS: (\$30,034.00)

The above Closing Statement is accepted as correct this 1st day of August, 2023.

SELLER:

Handwritten signatures of Roderick O. Dalee and Mary M. Dalee with printed names below.

BUYER:

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER

By:

Handwritten signatures of James Allen and John S. Weidl with printed names below.



CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	Wind Up 2025
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

BACKGROUND

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

At the July 2024 meeting, the CDA discussed the outcome, commentary and feedback regarding the Whitewater WindUp. Staff was looking for direction from the CDA regarding doing a WindUp in 2025. The board asked staff for additional information regarding about how many hours and the timeline staff has for this project. Attached to this memo, you will see the timeline that was used in 2024 for the competition. As you can see, there was about two months of planning, and the competition began in late March and ended in late May. Staff had roughly 2 months to plan for 3-month competition.

In planning for the future, I would like to pursue the WindUp with roughly 4 months to plan the competition. The completion itself would be 2 months. Attached to this memo is the suggested timeline.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

N/A

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

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

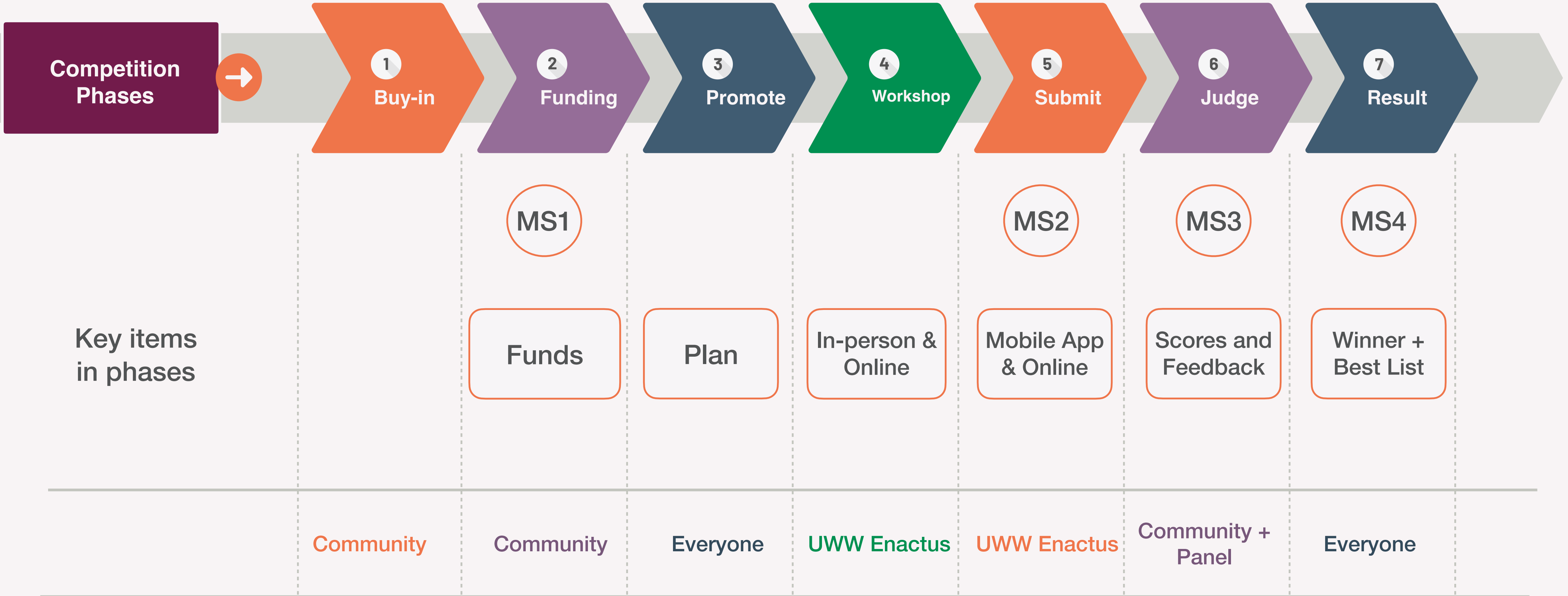
- Motion to direct staff to move forward with pursuing the Whitewater Wind Up in 2025
- Motion to direct staff to move forward with pursuing the Whitewater Wind Up in 2026
- No Action

ATTACHMENT(S) INCLUDED

(If none, state N/A)

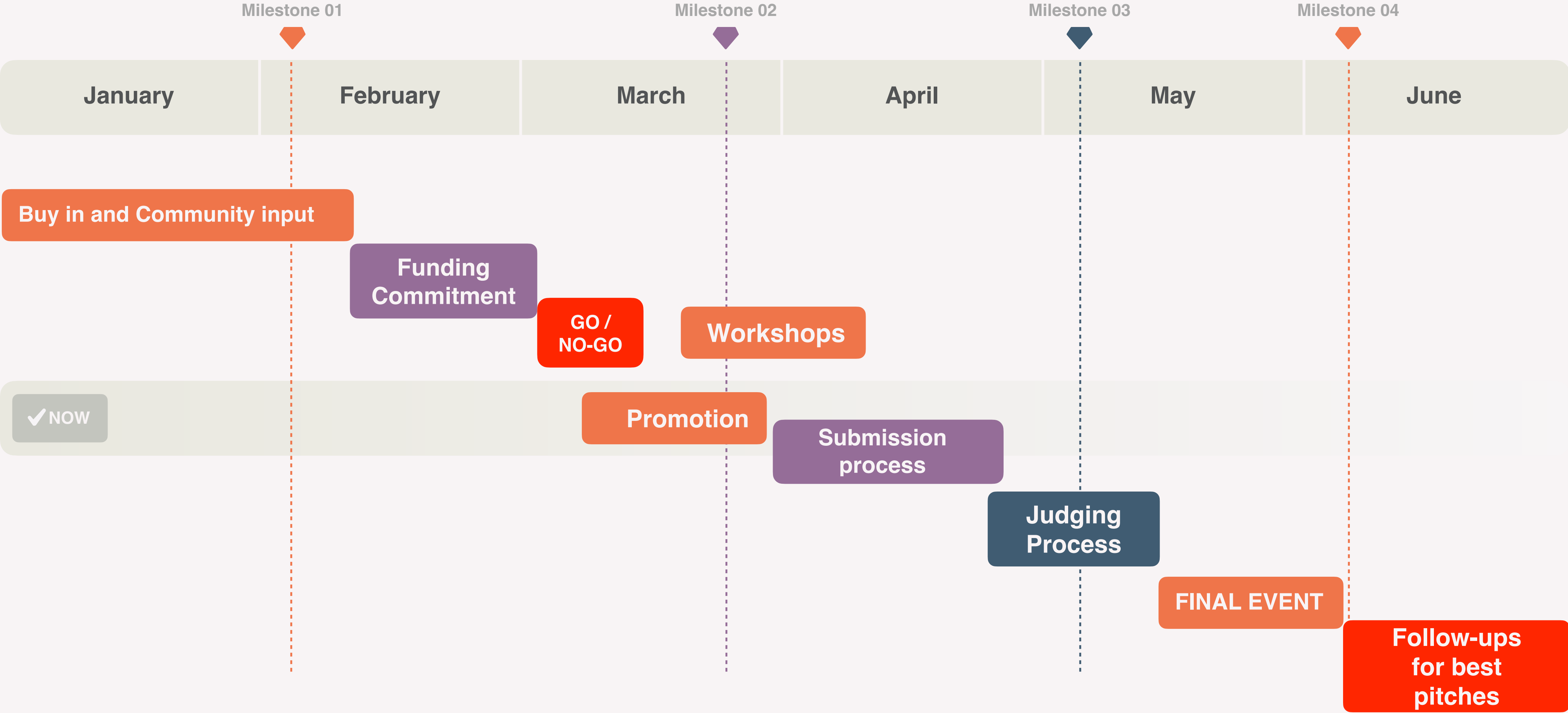
Suggested timeline Memo from EDD

City Pitch Competition Timeline



MS = Milestone

City Pitch Competition Timeline (Proposed)



MEMORANDUM

To: Whitewater CDA
From: Taylor Zeinert, Economic Development Director
Date: September 9, 2024
Re: Proposed WindUp Timeline

Below you will find a suggested timeline that staff will use as a guide post if the CDA chooses to move forward with the Whitewater Wind Up. Please note that this proposed timeline does not involve Enactus.

Month 1:

- Staff works to find qualified individuals to lead Workshops
- Create Rules
 - Rules must have CDA approval
- Find Judges
 - Maximum of 5 Judges

Month 2:

- ED Staff works with Media Services to create Marketing for this event
 - Update the Flyer
 - Create updated and new Video Content
 - Judges Info

Month 3-4:

- Conduct a media campaign for the event
 - Press Releases
 - Banner across Main Street
 - Social Media Posts



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

Office of Economic Development
312 W. Whitewater St.
Whitewater, WI 53190

Month 5-6:

- Workshops start (please note each workshop will be recorded)
 - Workshops will be every 2 weeks- 1st of the 2 weeks there will be one day of Presentation and the 2nd of the 2 weeks there will be one day of open work time with Staff Available to answer questions
 - Marketing 101
 - Financing 101
 - Best Business Practices

End of Month 6:

- Finale- Saturday
 - All contestants have a 10 min presentation
 - Judges have a rubric of criteria
 - One Winner is chosen
- CDA Approvals Winner Prize
 - Grand Prize: 1 year rent in their current or future store front

Thank you for your time and attention to this matter.

Taylor Zeinert

Economic Development Director



CDA Agenda Item

Meeting Date:	September 19, 2024
Agenda Item:	Presentation by Whitewater Fire Department
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-1048

BACKGROUND

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

Assistant Fire Chief Ryan Dion approached the EDD about purchasing land to build a training facility on. Staff have worked with Ryan about finding a parcel that best fits the needs of proposed project. The parcel that both the Office of Economic Development and the Fire Department feels is best for this project is Tax Parcel No. /A455500001. This parcel is owned by the City of Whitewater and is located on the corner of Innovation Drive and Technology Drive in the Business Park. As the Community Development Authority, it is your responsibility to learn more about the proposed project and determine if it is in the best interest of the City.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

N/A

FINANCIAL IMPACT

(If none, state N/A)

N/A

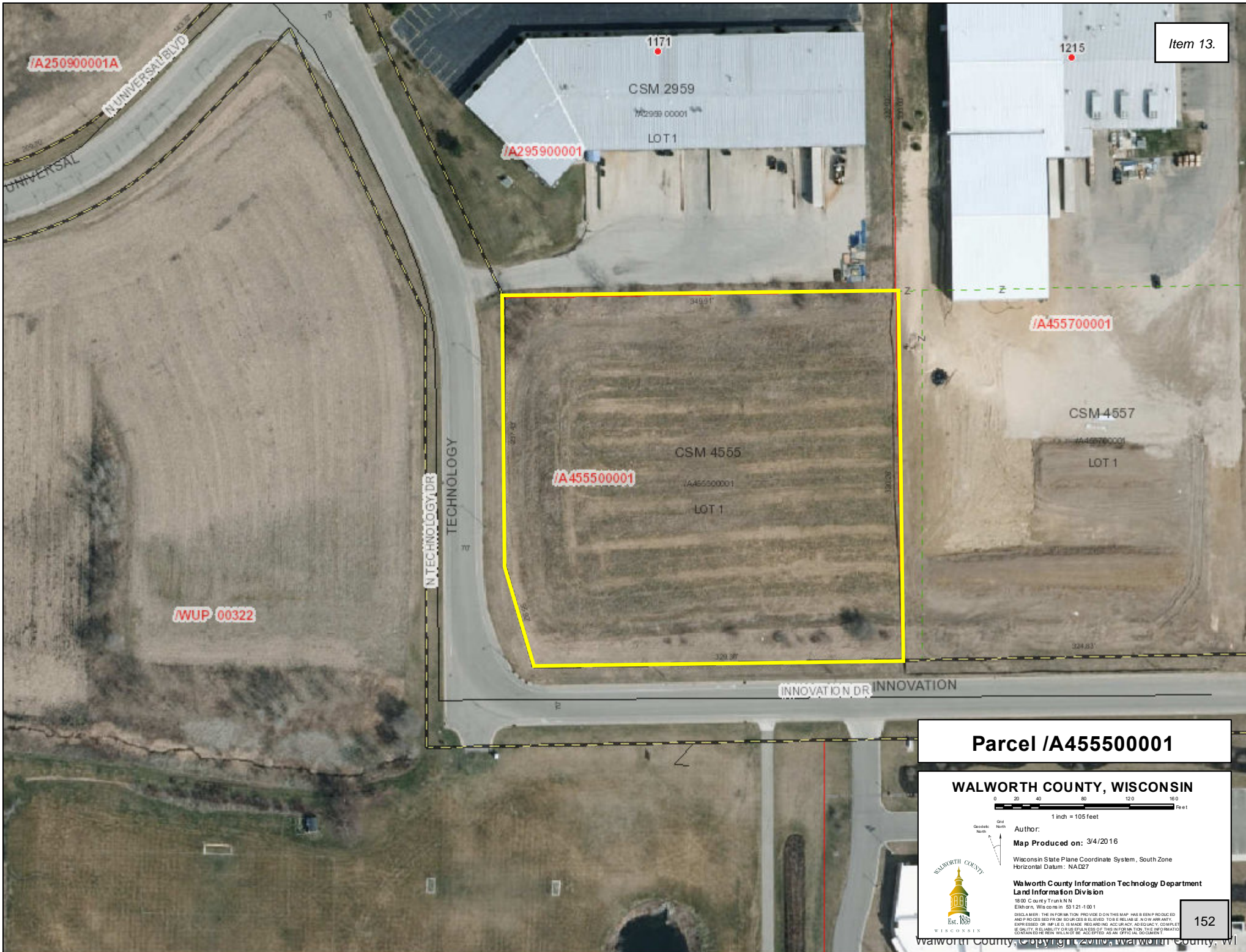
STAFF RECOMMENDATION

Review the proposed project and determine if it is the best interest of the City.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Walworth County GIS Map of property
- Assistant Chief Dion’s Presentation



Parcel /A455500001

WALWORTH COUNTY, WISCONSIN

0 20 40 80 120 160 Feet
1 inch = 105 feet

North
Geodetic North
Grid North

Author:
Map Produced on: 3/4/2016
Wisconsin State Plane Coordinate System, South Zone
Horizontal Datum: NAD27

Walworth County Information Technology Department
Land Information Division
1800 County Trunk N N
Elkhorn, Wisconsin 53121-1001

DISCLAIMER: THE INFORMATION PROVIDED ON THIS MAP WAS BEEN PRODUCED AND PROVIDED FROM SOURCES BELIEVED TO BE RELIABLE. NO WARRANTY, EXPRESS OR IMPLIED, IS MADE REGARDING ACCURACY, AD EQUITAS, COMPLETENESS, RELIABILITY OR USEFULNESS OF THIS INFORMATION. THE INFORMATION CONTAINED HEREIN WILL NOT BE ACCEPTED AS AN OFFICIAL DOCUMENT.

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Chief C.G. Hickey

Training Facility

ASSISTANT CHIEF RYAN DION

WHITEWATER FIRE/EMS

18 years in the fire service

Whitewater community member since 2006, Combat Veteran, served on Whitewater Fire Department, Lake Geneva Fire Department, and City of Waukesha Fire Department.

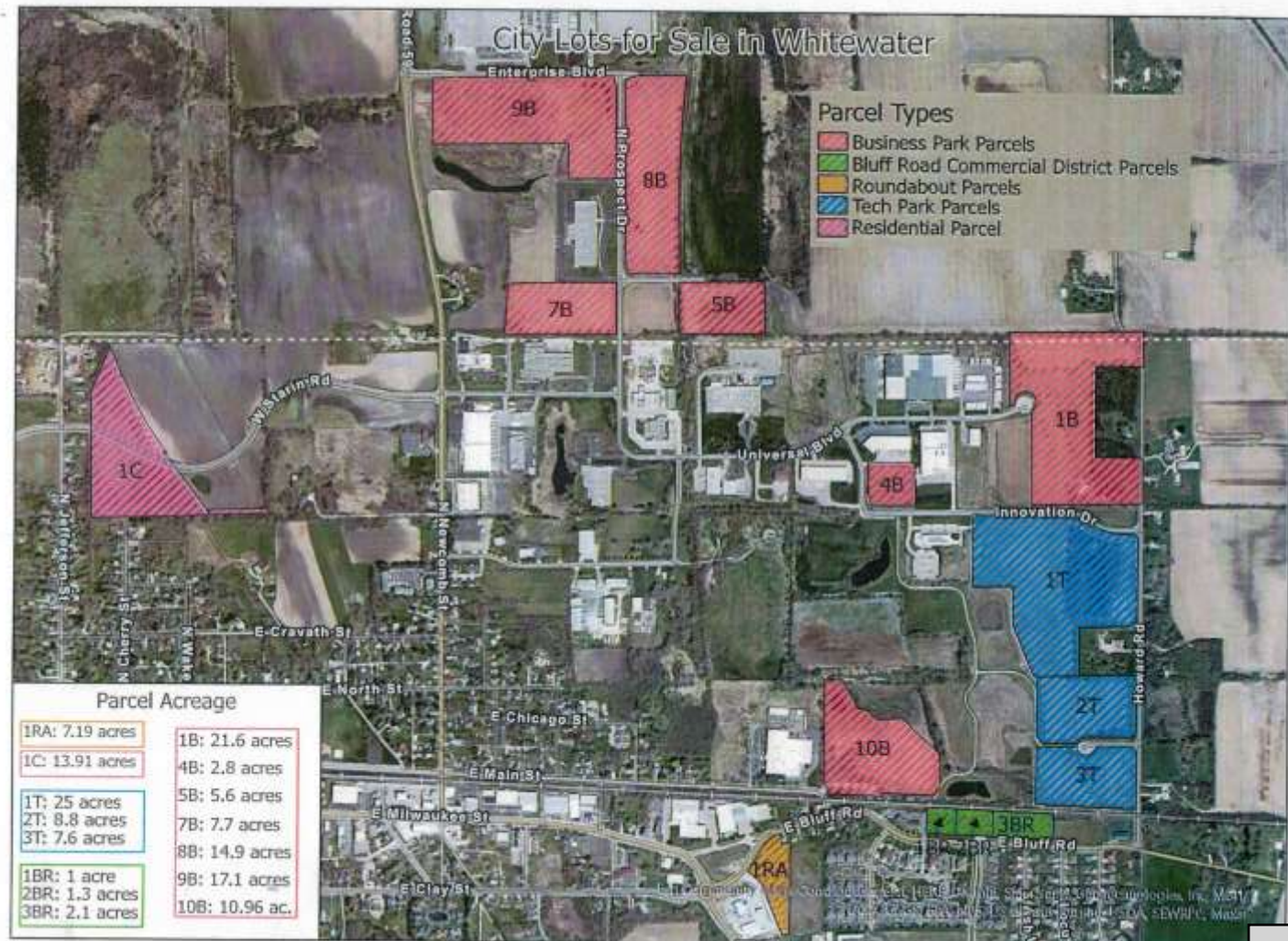


Project Goals

- ▶ Develop a property to aid in the creation of a robust training program.
- ▶ Facility would include a live fire structure, SCBA confidence course, technical rescue skill stations, and driver training area.
- ▶ Increase recruitment and retention.
- ▶ Possible revenue generator.
- ▶ Give our employees the training needed to serve the community safely and efficiently.

What are we asking for?

We are requesting the donation of lot "4B", parcel /A455500001, for designation of the C.G. Hickey Training Facility pending PARC approval/zoning and release of funds from the Whitewater Community Foundation (Hickey Fund).



Parcel is NW of Innovation Center



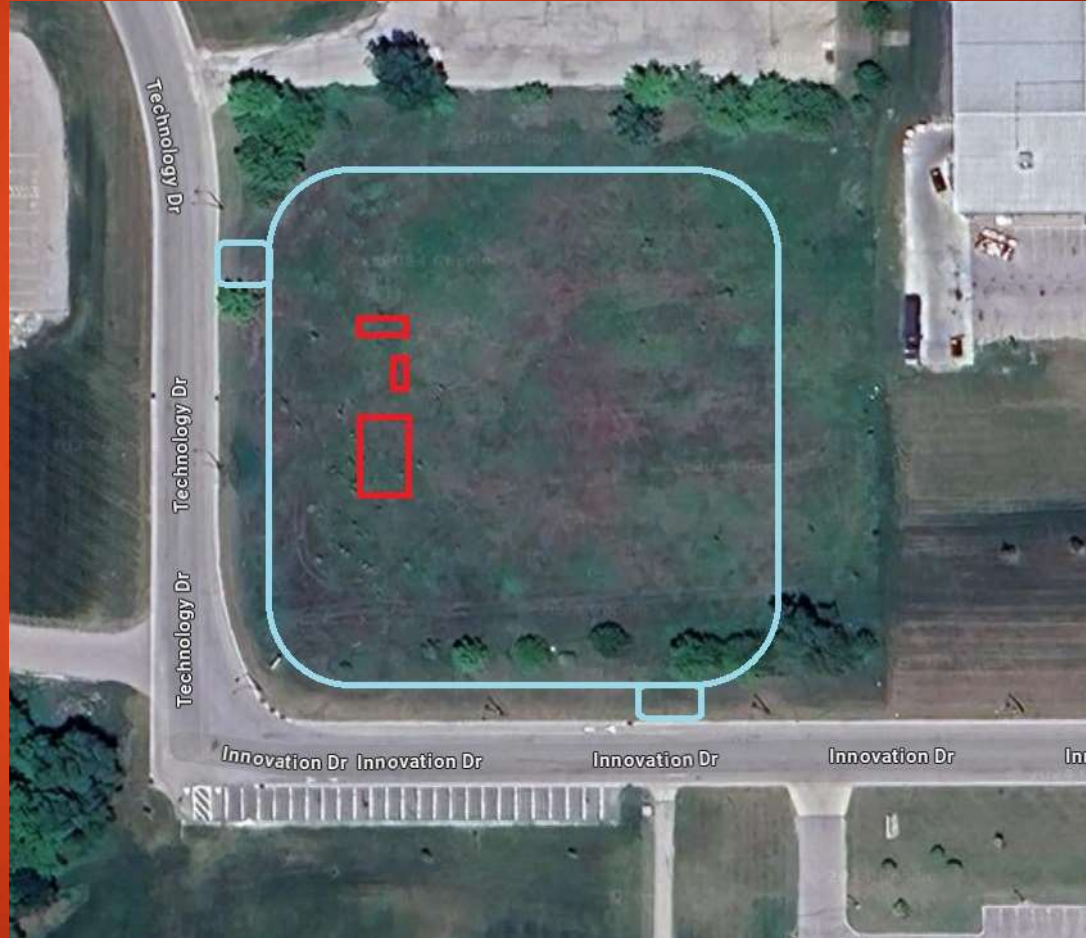
Why this parcel?

- ▶ It is City owned.
- ▶ It is relatively flat: Every dollar spent on site preparation is a dollar less I can invest in the actual structure/grounds.
- ▶ Proximity to the Innovation Center: The classroom space and restroom facilities adjacent to this training facility would make it a very appealing spot to host trainings.
- ▶ Existing infrastructure: Water and Sewer.
- ▶ Situated away from Residential areas.

Site Plan

Pending zoning and land use this is what the site may look like. A large concrete pad with ingress/egress on both Innovation Dr. and Technology Dr.

The open area would provide a safe area to conduct driver training, along with a multitude of other evolutions to include vehicle extrication, fire pump training, and aerial ladder operation.



What will it look like?



FTS
FIRE TRAINING
STRUCTURES
LLC

WEST COAST: PHOENIX, AZ
EAST COAST: LONG ISLAND, NY
PHONE: 1-877-268-8303
www.FireTrainingStructures.com

- 3 – 40FT CONTAINERS
- 1 – 20FT CONTAINER
- 2 – 20FT BURN ROOMS WITH BURN CRIBS, MATERIAL SUSPENSION CHAINS, & CLEAN-OUT-HATCHES
- RECONFIGURABLE SCBA MAZE SYSTEM
- VENTILATION HATCH
- BLUETOOTH TEMPERATURE MONITORING SYSTEM
- SHORING PROP
- WALL BREACH PROP
- INTERIOR STAIRS
- EXTERIOR STAIRS
- ACTIVE ROOF WITH OSHA COMPLIANT GUARDRAIL SYSTEM
- PITCHED ROOF PROP
- RAPPPELLING TOWER
- FORCED ENTRY DOOR
- FIRE DOORS
- FIRE WINDOWS
- DENVER DRILL WINDOW
- REBAR CUTTING PROP
- GARAGE DOOR CUTTING PROP
- STANDPIPE & SPRINKLER SYSTEM
- FOUNDATION ATTACHMENT HARDWARE

CERTIFIED TO NFPA 1402
BULLHEAD SYSTEM

OPTIONS SHOWN

What will we burn during live fire evolutions?

Item 13.



Training

Current Practice

- ▶ Pump and Hose line: Cul-de-sac in the industrial park.
- ▶ Acquired Structures: Few and far between; extreme amount of cost/logistics.
- ▶ Driver Training: “Close” a road or beg someone to let us drive a 70,000lb aerial apparatus in circles in their parking lot.
- ▶ Extrication: Dirt lot by Kienbaum’s.

Goal

- ▶ A fixed facility to create a highly trained department that operates safely and efficiently by providing realistic training scenarios.
- ▶ Increased safety during training
- ▶ Get our employees out of traffic and onto a closed area with no obstructions.
- ▶ Provide an open, clean environment to focus on training.

“The way you train is the way you will fight.”

This is long standing US Army doctrine. Training should be realistic, and performed to a standard.

Our current situation requires us to “play pretend”. Pretend you can’t see. Pretend it’s hot. Pretend you are going to aggressively enter this building that is on fire. We need a way to realistically simulate what our firefighters will encounter.

Big Gains

Fixed Facility

Ability to train in high risk, low frequency events.

We build a better end product in our service delivery to our community

Safer, more efficient, and far more reliable than acquired structures.

Controlled environment designed for training. "No restrictions."

Interoperability

All agencies in the tri-county area rely heavily on mutual aid. This would allow us to hold joint training evolutions with neighboring departments.

Potential uses for our Police Department.

Recruitment and Retention

Ability to host trainings at our facility. Increasing exposure to potential candidates for employment.


We would be the only municipal fire department in Jefferson or Walworth County to have a facility of this magnitude.

Firefighters like to train. They want to be good at their job. Creates trust and cohesion.

Questions?

rdion@whitewater-wi.gov

262-473-0570

	<h2>CDA Agenda Item</h2>
Meeting Date:	September 19, 2024
Agenda Item:	Open Meetings Law Compliance Training
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

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

As part of our ongoing commitment to transparency and compliance with the Open Meetings Law, the training that was presented at the last Landmarks Committee meeting has been edited and must be shared with all boards and committees. The video is approximately 32 minutes long, and the Board will be watching together prior to adjournment.

Any Board Member who does not attend this meeting will be required to watch independently. Here is the link to the video on YouTube: <https://youtu.be/DQq3swWDZKc>

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

FINANCIAL IMPACT
(If none, state N/A)

STAFF RECOMMENDATION

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