



Community Development Authority Board of Directors

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

Thursday, April 17, 2025 - 5:30 PM

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

Join from PC, Mac, iPad, or Android:

https://us06web.zoom.us/j/81326741069?pwd=ZQ9PlxaglySN32CN4Y0vOsz1FOrnWA.sWW-hO_mD-7zU-Nk
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Webinar ID: 813 2674 1069

Join via audio:

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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

APPROVAL OF AGENDA

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

CONFLICT OF INTEREST

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

CONSENT AGENDA

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

- [1.](#) Approval of February Minutes
- [2.](#) Approval of March Minutes
- [3.](#) Approval of February Financials
- [4.](#) Staff Update on the status of Black Sheep's - Lloyd's Liquor License
- [5.](#) Legal Update on Black Sheep
- [6.](#) Legal Update on Slipstream
- [7.](#) Legal Update on Scanalytics

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.

ELECTION OF CHAIRPERSON

ELECTION OF CO-CHAIRPERSON

PRESENTATIONS

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.

- [8.](#) Presentation by LuLu's Cravings (**Lourdes Antonio.**)
- [9.](#) Presentation by Edgerton Hospital requesting funds for equipment for Whitewater Urgent Care (**Marc Augsburg**).

CONSIDERATIONS / DISCUSSIONS / REPORTS

- [10.](#) Discussion and Possible Action on Modifications to the "But For" Worksheet (**EDD Zeinert**).
- [11.](#) Discussion and Possible Action on Down Payment Assistance Loan Application (**EDD Zeinert**).

EXECUTIVE SESSION

Adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other

specified public business, whenever competitive or bargaining reasons require a closed session. Items to be discussed:

12. Discussion and Possible Action on allocating \$42,315.12 to LuLu's Cravings for start-up costs **(EDD Zeinert)**.
13. Discussion and Possible Action on Edgerton Hospital's Request for \$140,000 for equipment for Whitewater Urgent Care Site **(EDD Zeinert)**.
14. Discussion and Possible Action on deferring Stonegate Management LLC Facade Loan Payments for two years **(EDD Zeinert)**.
15. Discussion and Possible Action on Stepmother LLC Offer to Purchase 1127 Bluff Road (/A405400001) **(EDD Zeinert)**.

RECONVENE INTO OPEN SESSION

FUTURE AGENDA ITEMS

Monthly Status Reports on Collections Actions

Revisions to RFP Process

Key Fobs at the Innovation Center

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 Item 1.

Board of Directors

Whitewater Municipal Building, Cravath Community
Room, 2nd Floor, 312 W Whitewater St,
Whitewater, WI 53190 *In Person and Virtual*

Wednesday, February 26, 2025 - 6:00 PM

MINUTES

Draft

CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Board Member Greg Majkrzak.

ROLL CALL

PRESENT

Board Member Thayer Coburn
Board Member Jon Kachel
Board Member Joseph Kromholz
Board Member Neil Hicks
Board Member Greg Majkrzak
Board Member Christ Christon

STAFF

Taylor Zeinert EDD

APPROVAL OF AGENDA

Board Member Coburn requested that items 1,4,5,6 be moved off of the Consent Agenda. Board Member Majkrzak requested items 10,12,14 be moved into Open Session.

Motion to approved agenda as amended made by Board Member Coburn, Seconded by Board Member Hicks.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

CONSENT AGENDA

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

Board Member Hicks noted corrections to the December minutes. Board Member Knight was incorrectly listed as abstaining from a vote on items 10 and 11; the abstention needs to be attributed to Jon Kachel instead.

Motion made to approve Consent Agenda items with noted corrections, by Board Member Majkrzak, Seconded by Board Member Kachel.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

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.

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Citizen Jeff Knight: Mr. Knight outlined his concerns regarding TIF funding, which he explains in detail in a letter distributed to board members at the meeting. The letter is attached as part of the minutes.

Citizen Ben Friarmuth, Property Manager for HSI Rentals: Mr. Friarmuth expressed concerns regarding the use of outside developers and the effects this has on increasing taxes.

PRESENTATION

3. Presentation by Slipstream LLC regarding the status of their loan. **(Choton Basu)**

EDD Zeinert introduced the presenter, Choton Basu, one of the company founders and a UW-Whitewater professor.

Professor Basu reviewed history of this partnership with CDA, which dates back to 2013 when Strive was started. This project was funded with CDA funds and funds from other investors. It is housed in the Innovation Center. Strive is a mobile application designed to increase enagagment in community events. The business has been struggling since the advent of the COVID pandemic and is not making money. Owners have been meeting with the investors to discuss the company's future. The CDA has received a list of all the company's assets.

Board member Kachel asked when the last payment on the loan from CDA was made. No payments have been made. A demand letter was issued 2/11/2025.

The loan will be discussed in Closed Session.

4. Presentation by Safe Pro, LLC requesting funds via the capital catalyst program. **(Paul Eckert and Robert Austin)**

EDD Zeinert introduced presenters, Paul Eckert and Robert Austin, founders.

Those in attendance watched a video about the company. Safe Pro technology is designed to save lives during active shooter and dangerous events, using artificial intelligence and sensor technology to deploy an evacuation laser guidance system that guides people away from danger. (add video link?)

Safe Pro Technologies has been a member of the community since 2020 and works out of the Innovation Center. The CDA previously gave Safe Pro a loan for a \$100,000, which they have consistently paid on time. Safe Pro is excited to share that they are about to go to market; however they need additional funding of \$100,000 to do so.

DISCUSSION:

Citizen Jeff Hale asked what was learned from the partial pilot program at Greenfield High School. It was successful and they are working on putting together funding for full implementation. Safe Pro has also been in contact with two other high schools and a Fortune 500 Company.

Board Member Hicks asked where the devices are manufactured. The components are made outside the United States and assembled here.

The intricacies of the system were explained. Safe Pro has incorporated all the components of the system in-house to maintain quality control and control costs. They are looking for funding to be able to do a full-scale implementation project before they go to market. This project is again in the running in the Governor's Business Plan competition.

Presenters thanked the CDA and the Innovation Center for their ongoing support.

CONSIDERATIONS / DISCUSSIONS / REPORTS

5. Jeff Knight Resignation

EDD Zeinert thanked Jeff Knight for his service. He served on the CDA from 2010-2017 and joined the board again in 2023.

Mr. Knight submitted a letter to all board members and stated his concerns regarding getting data in an open records request to the City and the transparency of the TIF processes.

6. Staff report regarding Ownership, restrictions of the Innovation Center. **(EDD Zeinert)**

EDD Zeinert explained that CDA Attorney Manthe did an analysis of who has true ownership of the Innovation Center and any the restrictions on its sale or use.

The grant used to help build the Innovation Center was given to UW-Whitewater. The city is listed as a subgrantor. Therefore, if the center was sold, the city would be responsible of 60% Fair Market Value. Therefore, it is not in the best interest to sell the facility any time soon.

DISCUSSION:

Board Member Kromholz asked if there is a time limit on that restriction. EDD Zeinert said the attorney did not state that, so she will follow up to find out.

Citizen Brad Syransky asked if the building, with current renters in place covers its full costs. EDD Zeinert stated the building currently breaks even.

7. Staff Report regarding use of TIF in other Neighboring Communities. **(EDD Zeinert)**

On 2/11/25, a memorandum from the City Manager was sent to the Common Council and to this body, entitled *Strategic Use of Tax Increment Financing (TIF) to Support Housing Development in Whitewater*. The memo is included in the meeting packet.

DISCUSSION:

Board member Kachel stated that Waterford and Whitewater have significant differences in owner-occupancy rates.

Board member Christon noted that Whitewater is a university town. None of the communities in the surrounding area are university towns, which makes it difficult to make adequate comparisons of rental occupancy rates.

Board member Kachel stated that under the federal government's registration act, undocumented people will be asked to register and then peacefully leave the country. He stated that in Whitewater we have over 1,000 people living here that were not in this country two or three years ago. He believes that this action will significantly increase the number of available rentals. He also cited declining enrollment predicted in 2026 and forward.

Board member Kromholz asked if there is a census of the number of landlords renting to undocumented people. Anecdotal evidence was shared; hard data was not provided.

In order to adhere to open meeting laws, EDD Zeinert directed the discussion back to the agenda item in consideration, *Strategic Use of Tax Increment Financing (TIF) to Support Housing Development in Whitewater*.

Citizen Terry Stitzel, a local heating contractor: His observation is that there are a lot of undocumented people in the units he services.

Citizen Ben Holden, founder of Common Sense Citizens: He shared retirees' concerns about about TIF money going to subsidized housing plus the upcoming referendums leading to tax increases which will be difficult for them to handle on a fixed income.

Citizen Jeff Knight explained that he reviewed eight developer agreements that were sent out by the City Manager. He stated that all eight are making a much lower TIF contribution than the City of Whitewater is.

Citizen Larry Kachel pointed out the differences in TIF percentages in the Waterford and Elkhorn models compared to current City practices. He explained that the original purpose of TIF is to clean up blight and create jobs.

Board Member Majkrzak stated that currently developers say they will not build here without TIF.

8. Staff Report regarding Mukwonago's TIF-Funded Development Agreement. **(EDD Zeinert)**

On 2/11/25, the City Manager sent a memorandum to the City Council and CDA entitled, *Analysis of Mukwonago's TIF-Funded Development Agreement*. EDD Zeinert noted that the approach currently utilized by the City of Whitewater is a more conservative approach than that described in the memo.

DISCUSSION:

Citizen Jeff Knight: With as many properties that are being proposed based on the projections in the Tracy Cross reports, it could result in an increase in an estimated 642 children, which would likely require an additional elementary school. This is an example of how TIF projects can eventually end up increasing taxes.

Citizen Larry Kachel distributed and commented on a Wisconsin Legislative Council memo dated 11/29/2022, entitled *Effects of a Tax Incremental District on Municipal Levy Limits*. This memo will be attached to the minutes.

Board Member Jon Kachel commented on the memo distributed by Larry Kachel, citing nearby communities' percentage of rental housing as compared to Whitewater's.

Citizen Peter Jordan expressed his opinion about the high social costs of having so many rental properties in Whitewater.

9. Staff Report on Letter of Intent with Bielinski Homes and Hale Farms, LLC. **(EDD Zeinert)**

EDD Zeinert stated that the memo included in the packet will be corrected to reflect that buyer (Bielinski) be required to source "some" of the lumber locally, rather than "all" lumber as the memo currently states.

Bielinski has their own sourcing practices, therefore could not agree to this contingency. Because of that, this project cannot move forward.

DISCUSSION:

Citizen Jeff Hale, of Hale Farms LLC and Home Lumber, commented on using locally sourced materials and labor by projects being done by large general contractors coming in from out of town and its negative impact on community development.

Board member Kachel asked if there was any way for the deal to move forward. Mr. Hale responded no, not unless they agree to use at least some local resources.

Citizen Carol Ellison, resident of Whitewater, asked how the solicitation of bids process works. EDD Zeinert explained the bid process and the TIF negotiation process.

Citizen Jeff Knight commented on the lack of response to his open records request for information on the calculation of vacancy rates in recent studies of housing needs in Whitewater. EDD Zeinert explained that there has been a delay in fulfilling open records request due to staff turnover in the city attorney office.

10. Discussion and possible action regarding loaning funds to Safe Pro, LLC via capital catalyst.

EDD Zeinert recommended moving forward on the loan because of the product's benefits and because they have been consistently paying on their loan. The \$100,000 would come from the Capital Catalyst Fund.

Motion made by Board Member Majkrzak, Seconded by Board Member Kromholz.
Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz,
Board Member Hicks, Board Member Majkrzak, Board Member Christon

11. Discussion and possible action regarding Farm Lease.

EDD Zeinert explained that the City owns vacant land around the industrial park. Currently there is a farmer who leases the land. Some of the lots he was previously farming are no longer owned by the City. This is a recommendation to amend the lease to adjust for parcels that have been sold by the City to a third party for development.

Motion made by Board Member Hicks, Seconded by Board Member Majkrzak.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

12. Discussion and possible action LOI with the City of Whitewater and Walworth County Habitat for Humanity.

EDD Zeinert reviewed the status of the property at 216 E. Main Street and the Letter of Intent from Walworth County Habitat for Humanity.

There was a discussion on costs of demolition of the property. EDD Zeinert stated that bids have been received and would be discussed at the next meeting.

Motion to approve signing of the Letter of Intent (LOI) from Walworth County Habitat for Humanity.

Motion made by Board Member Hicks, Seconded by Board Member Kromholz.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

EXECUTIVE SESSION

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

Motion to move into closed session passed by unanimous voice vote. Items to be discussed:

Discussion and possible action regarding the Slip Stream Loan.

Discussion and possible action on Pre 3 Offer to Purchase vacant land located at /A444200001.

Discussion and possible action of a development agreement with Arch Development.

Discussion and possible action regarding termination of the contract with Anderson Group.

RECONVENE INTO OPEN SESSION

14. Discussion and possible action related to the Slip Stream Loan.

Discussion and possible action on Slip Stream Loan. No Action Taken.

15. Discussion and possible action on Pre 3 Offer to purchase vacant land located at /A444200001.

Motion to approve the sale of the property to Premier Real Estate Mangement.

Motion made by Board Member Majkrzak, Seconded by Board Member Kromholz

DISCUSSION:

Citizen Jeff Knight spoke against this project due to location and zoning. Mr. Knight asked about the incentive package and was advised the only item on the agenda currently is the offer to purchase.

Voting Yea: Board Member Coburn, Board Member Kromholz, Board Member Majkrzak, Board Member Christon

Voting Nay: Board Member Hicks

Voting Abstaining: Board Member Kachel

16. Discussion and possible action of a development agreement with Arch Development.

No action taken.

17. Discussion and possible action with regards to terminating the contract for Anderson Group.

Staff is directed to terminate for cause the contract with Anderson Commercial Group.

Motion made by Board Member Majkrzak, Seconded by Board Member Hicks

DISCUSSION:

EDD Zeinert was asked the reasons for termination. She outlined compaints received about slow or lack of follow up when people inquire about properties, and when asked by staff to make contacts regarding certain properties they do not go directly to the owners. Because of that and poor performance, staff recommended the CDA review the contract. Anderson Group was asked to attend the meeting tonight and did not attend.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

FUTURE AGENDA ITEMS

Discussion of badged card access system at the Innovation Center.

Options for holding liquor licenses when giving out loans.

Update procedures on public comment portion of the meeting, reinforcing that public comment is heard by the board but no discussion follows at that time.

ADJOURNMENT

Motion made by Board Member Hicks, Seconded by Board Member Kachel.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

Open letter to the Whitewater City Council, CDA and Media
TIF Funding of Apartments and Wealthy Landlords

I want to address a few things that I believe are problems for the City of Whitewater and CDA.

My fear is that the city is already in violation of State Statutes related to the Joint Review Board TID/TIF project plans in at least two of the current TIF's.

In fact, the TIF incentives offered by both the CDA and City with the large Slater apartment complex approved on the east side is a dramatic difference from what was approved by the Joint Review Board. The incentives identified in the TIF 11 project plan are for \$1,883,337 and the city is providing \$5,100,000 in incentives to the apartment developer. I am quite sure you are close to exceeding the limit in TIF 14 as well. I could not do the final math related to incentives as I could not see a developer's agreement for the new Aldi store.

There were recent communications from city hall to the city council and CDA members trying to justify TIF incentives for apartments. I served on the CDA when the east side 128-unit apartment project came forward, and I asked way back then and continued to ask until I resigned as to why we were giving such a high incentive and what other communities were giving. My thought was, "Are we too aggressive with our offers?" Why the city could not provide this information or develop written guidance leaves me troubled as to how the city is managing TIF and clearly lacks transparency.

What is interesting is that the city finally provided developers' agreements last week to the city council in the hope of justifying apartment subsidies. In all fairness, those documents only demonstrate how far out of order the city is from reality. I have reviewed all the documents sent out by the city and I highlighted some of them below.

The Waterford projects provide 50% of tax increment revenue to a maximum incentive of \$200,000 and \$150,000 compared to Whitewater's 90 or 85%. If you crunch the math on what percentage of the developers cost to build (\$2,000,000). You get a percentage of 10 % and 7.5% of the total project cost provided as an incentive to build. If you do the same math on the project described in Elkhorn where they used 55% you get a 12.5% incentive. When you do the math on the Slater 128-unit apartment project you get a projected city investment of 20% of the total cost to build. This funding at 85% for ten years reduces to 60% tax increment incentive over the life of the TIF. If you do the math on the Neuman homes project on the northwest side, you get 23% of funding subsidy. The city could have saved over \$3,000,000 just on these two projects, if they followed either the Waterford or

Elkhorn examples. The TIF benefits to a developer need to be weighed against the additional cost to the city taxpayers. That did not occur in Whitewater.

The city has not learned as they are offering the same 90 % to Neumann on the Hoffmann property and to the developer of the apartment on the city's Industrial site.

What is more troubling is the way they ignore our huge percentages of rentals (70%) in Whitewater while only 30 percent owner occupied. Compared to Waterford, which has 76.5 percent owner occupied housing and less than 25 percent rentals. You can justify the apartments in Waterford, but not Whitewater. Waterford offered a much lower and reasonable incentive.

My suggestion is that the city should retain an outside audit firm to review the potential violations of the project plans for TIF 11 and 14. Further, ask them to develop guidance documents for CDA and City to assist in providing reasonable incentive percentages that can be offered in the future.

Thank you for your concerns.

Jeffery Knight

920-728-0662

Wisconsin Legislative Council

Anne Sappenfield
Director



TO: SENATOR DUEY STROEBEL

FROM: Scott Grosz, Principal Attorney

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

DATE: November 29, 2022

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

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

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

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

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

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

TAX INCREMENTAL FINANCING

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

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

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

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

LEVY LIMITS

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

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

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

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

EXAMPLES

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

Example 1: No TID Without NNC

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

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

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Example 1: (2022 Continued)	
Allowable levy limit increase due to valuation factor (valuation factor multiplied by prior year apportioned levy)	$\$0 = \$100,000 * 0\%$
Apportioned municipal levy (prior year levy plus levy limit increase due to valuation factor)	$\$100,000 = \$100,000 + \$0$
Total municipal levy	\$100,000
Final municipal tax rate	1.0%

Example 2: No TID With NNC

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

Example 3: Year of New TID Creation

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

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

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

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

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

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

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

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

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

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

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

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



Community Development Authority Board of Directors

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190

*In Person and Virtual

Thursday, March 20, 2025 - 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.

You are invited to a Zoom webinar!

When: Mar 20, 2025 05:30 PM Central Time (US and Canada)

Topic: CDA

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/89659224093?pwd=NaTTaUZdENWwYNfs31k9ZmOsaVWSfA.WORakm2AQYvBiTCI>

Passcode: 647974

Phone one-tap:

+13126266799,,89659224093#,,,,*647974# US (Chicago)

+16469313860,,89659224093#,,,,*647974# US

Join via audio:

+1 312 626 6799 US (Chicago)

Webinar ID: 896 5922 4093

Passcode: 647974

International numbers available: <https://us06web.zoom.us/j/ke3YCBABU>

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

AGENDA

CALL TO ORDER

The meeting was called to order at 5:30 p.m. by Board Member Majkrzak.

EDD Zeinert provide three updates. Kelsey Price has been appointed to the CDA and will attend the next meeting. Betsy Swenson, Administrative Assistant, was introduced. And EDD Zeinert announced that her last day in this position is April 17, 2025, as she has accepted another position.

ROLL CALL

PRESENT

Board Member Thayer Coburn
Board Member Jon Kachel
Board Member Neil Hicks
Board Member Greg Majkrzak

LATE

Board Member Christ Christon arrived at 5:40 p.m.

Board Member Joseph Kromholz arrived at 6:22 p.m.

APPROVAL OF AGENDA

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

Motion made by Board Member Hicks, Seconded by Board Member Majkrzak to approved the agenda with Item #5: Staff Report on Public Comment Process removed; seconded by Board Chair Majkrzak. This item was removed because it has not yet been discussed at Common Council.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak

DECLARATION OF CONFLICT OF INTEREST

Do any board members wish to declare a conflict of interest in discussing any of the agenda items?

Board Member Kachel declared a conflict of interest with Item #12: Stepmother LLC Offer to Purchase.

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.

None.

FINANCIALS

1. Approval of December Financials.

Motion made by Board Member Hicks, Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak

2. Approval of January Financials.

Motion made by Board Member Hicks, Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak

PRESENTATIONS

3. Presentation by Stellar Vintage regarding the Wind Up Funding. **(Holly Barnett)**

Holly Burnett, owner of Stellar Vintage, provided a presentation on the company's progress in its first year. She reported on how funds received as a Whitewater Wind Up Winner were been, events they have hosted and attended, and plans for future events. Their request for reallocation of funds will be discussed in closed session.

Board Member Christon joined the meeting at 5:40 p.m.

DISCUSSION:

Board Member Coburn expressed appreciation for the level of detail provided in the presentation and in the information provided for the Closed Session.

4. Presentation by Anderson Commerical Group. **(Patrick McGlinn)**

Patrick McGlinn, Anderson Commercial Group, provided an overview of the 15-year-old company. The firm has 24 members, including 14 brokers. He explained that he and Kristen Parks will be working with the City moving forward. Ray Gooden will no longer be part of this project.

DISCUSSION:

Board Members indicated they would ask their questions during the Closed Session.

CONSIDERATIONS / DISCUSSIONS / REPORTS

5. Staff Report Regarding Public Comment Process. **(EDD Zeinert)**

This item was deleted from the agenda.

6. Discussion and Possible Action Regarding Scanalytics loan. **(EDD Zeinert)**

Scanalytics received a Capital Catalyst loan in 2015. The finance director provided an update on this case (page 48 in packet). This is one of the loans that has not been kept up to date. The finance director recommend we take legal action to elevate this further and that we follow suit with the remainder of loans that have been in this same status.

DISCUSSION

Board Member Kachel asked if they have an ongoing business. EDD Zeinert replied that according to their website it looks like they are doing quite well. However, since this loan was issued, only one payment has been received, with no further payments or correspondence since that date.

Board Member Hicks asked about the CDA-specific attorney attending these meetings. So far that has not happened due to the cost of them attending. Board Member Kachel asked about them sitting in electronically. This discussion was deferred as a future agenda item.

Motion made by Board Member Majkrzak to engage legal counsel to evaluate potential collection efforts and determine the appropriate course of action. Seconded by Board Member Hicks.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak, Board Member Christon

7. Discussion and Possible Approval for 108 Demo RFP. **(EDD Zeinert)**

This is the building that is across from Second Salem. This board recommended the property be used as a space for a veteran's memorial after demolition is complete. Demolition bid responses are in the board packet.

EDD Zeinert explained that the bids are very different in terms of the amount of information provided. The last time this was discussed, staff recommended HM Brandt based on their level of experience. This body expressed concerns about their cost. Staff is recommending Silha and Sons, who also have extensive experience and submitted a lower bid.

Board Member Majkrzak made a motion to award the bid for demolition of 108 W Main to Frank Silha and Sons and allow for demolition to begin. Seconded by Board Member Hicks.

DISCUSSION

Board Member Coburn asked why we are accepting bids that don't address every point required by the RFP. EDD Zeinert explained that we wanted to bring them all to this body because this office had not had extensive experience in this process in the past. Staff has discussed need to revise this RFP process

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak, Board Member Christon

8. Discussion and Possible Approval of 216 Demo RFP. **(EDD Zeinert)**

The plan for this property, based on the Letter of Intent from Habitat for Humanity that was approved last month, is to build two homes.

Bid responses are included in the packet. Staff is recommending HM Brandt, as they submitted the most complete bid.

Board Member Majkrzak brought up a variety of differences between bids including handling of asbestos and disconnecting utilities. He stated that HM Brandt's bid was only good for ten days from submission, which was January 30, 2025. EDD Zeinert has discussed that with the contractor and they agreed to honor the bid at this time. Board Member Majkrzak stated we may want to state in future RFP that the bids have a longer time period before expiration.

Board Member Kachel explained that this is the site of a very old gas station and wondered if there were tanks underground. EDD Zeinert has spoken with the DNR and they said the site was fully cleaned up.

Motion made by Board Member Majkrzak to award the bid to HM Brandt and proceed with demolition. Seconded by Board Member Hicks.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak, Board Member Christon

9. Discussion and Possible Approval of Modified Wind Up Logo. **(EDD Zeinert)**

This body requested we move forward on the Wind Up Project without UW-Whitewater and Enactus, the two partners involved in the past. Therefore, the logo was modified to reflect that change. The old and new logos are included on pages 98 and 99 of the board packet.

Motion made by Board Member Coburn to approve the new logo, Seconded by Board Member Majkrzak.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak, Board Member Christon

10. Discussion and Possible Approval of Housing Roundtable Topic. **(EDD Zeinert)**

Staff recommends that the next Housing Roundtable topic be: *Missing Middle Housing and Zoning Reform*. The intent is to focus the discussion on how the city can be best prepared in terms of zoning for when developers want to develop here, and on workforce housing also known as the "missing middle" for teachers, nurses, police officers, first responders, etc.

DISCUSSION

Board Member Kachel asked if the focus would be on owner-occupied housing. This topic would include any type of housing that meets the needs of those in the "missing middle." Board Member Kachel stated a preference for topic to be specific to owner-occupied housing.

The event was scheduled for May. Due to the departure of EDD Zeinert, staff is looking at alternative dates and will update this body on progress.

Motion to approve the Housing Roundtable Topic as presented made by Board Member Majkrzak, Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Hicks, Board Member Majkrzak, Board Member Christon

Voting Nay: Board Member Kachel

11. Discussion and Possible Approval of RFP for Broker and Listing Agent. **(EDD Zeinert)**

Based on the action at the last meeting, staff moved forward with drafting an RFP for Brokerage/Listing Services, which is included in the packet. The current broker's contract expires in May and they are eligible to apply via the RFP if they wish to.

Motion to approve the RFP for Brokerage/Listing Services made by Board Member Hicks, Seconded by Board Member Majkrzak.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Hicks, Board Member Majkrzak, Board Member Christon

EXECUTIVE SESSION

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

Motion to move into closed session at 6:04 p.m. passed by unanimous voice vote. Items to be discussed:

Discussion and Possible Approval of Offer to Purchase 1127 E Bluff Rd by Stepmother LLC. **(EDD Zeinert)**

Discussion and Possible Approval of Reallocation of Stellar Vintage Wind Up Funds. **(EDD Zeinert)**

Discussion and Possible Action Regarding Purchasing /BIRW 00003 (136 N Jefferson) from Elyssa Launderville. **(EDD Zeinert)**

Discussion and Possible Approval of Sale of a Portion of /BIRW00003A (small parcel of land adjacent to 136 N Jefferson that is owned by the City). **(EDD Zeinert)**

Discussion and Possible Approval of Reconsideration of Anderson Contract. **(EDD Zeinert)**

Discussion and Possible Action of Offer to Purchase on /TRA 00003 (216 E Main). **(EDD Zeinert)**

RECONVENE INTO OPEN SESSION

12. Reconvened at 7:08 p.m.

Board Member Kromholz arrived and joined the discussion at 6:23 p.m.

13. Discussion and Possible Approval of Offer to Purchase Stepmother LLC. **(EDD Zeinert)**

Board Member Kachel recused himself during the discussion on #12 Offer to Purchase 1127 E Bluff Rd by Stepmother LLC due to a stated conflict of interest.

No motion was made. Staff was directed to counter the offer that was submitted.

14. Discussion and Possible Approval of Reallocation of Stellar Vintage Wind Up Funds. **(EDD Zeinert)**

Motion made by Board Member Majkrzak to allow reallocation of Wind Up funds of \$5,755.99 to 'Sourcing' as requested by Stellar Vintage; Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

15. Discussion and Possible Action Regarding Purchasing /BIRW 00003 from Elyssa Launderville. **(EDD Zeinert)**

Board Member Majkrzak made a motion to not proceed with the offer to purchase 136 N Jefferson St (/BIRW00003), Seconded by Board Member Coburn.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

16. Discussion and Possible Approval of Sale of a Portion of /BIRW0003A. **(EDD Zeinert)**

Motion made by Board Member Majkrzak to sell the strip of City-owned land adjacent to 136 N Jefferson to the owners of 136 N Jefferson, contingent upon a certified survey map (aid for by buyer) and a physical review of the lot line, for \$2500. Seconded by Board Member Hicks.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

17. Discussion and Possible Approval of Reconsideration of Anderson Contract. **(EDD Zeinert)**

Motion made by Board Member Majkrzak to change the notice of termination of the Anderson Commercial Group contract to a notice of non-renewal. Seconded by Board Member Hicks.

DISCUSSION

Anderson Commercial Group will remain the broker until their contract expires in May. Results of the RFP process will determine the next broker.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

18. Discussion and Possible Action of Offer to Purchase on /TRA 00003 (216 E Main). **(EDD Zeinert)**

Motion made by Board Member Majkrzak to direct staff to sell 216 E Main St to Habitat for Humanity for \$1 and cap the City's responsibility for the demolition at \$35,648. Seconded by Board Member Kachel.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

FUTURE AGENDA ITEMS

Key Fobbing at the Innovation Center

CDA Exit Interview for Outgoing EDD Zeinert

Revisions to RFP Process

Monthly Status Reports on Collection Actions

ADJOURNMENT

Motion to Adjourn at 7:15 p.m. made by Board Member Hicks, Seconded by Board Member Kachel.
Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

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.

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	4.73%	4.73%	4.73%	4.73%	1.76%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
GL Balance as of:					
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	11,084.72	861,863.31	0.00	14,815.36	120,450.68
07/31/2024	-6,399.39	893,135.53	2,516.35	8,229.06	120,654.72
08/31/2024	1,744.27	803,182.07	4,952.84	8,265.72	120,859.11
09/30/2024	62,934.26	790,169.88	7,401.46	8,303.72	121,057.24
10/31/2024	48,557.44	758,849.41	9,860.33	8,340.60	121,236.68
11/30/2024	33,654.07	761,184.17	12,025.37	8,373.75	146,957.91
12/31/2024	22,428.83	743,146.88	14,500.97	8,408.74	144,556.29
01/31/2025	-7,220.28	748,655.09	16,983.17	8,441.84	144,771.39
02/28/2025	-16,250.58	744,325.86	19,464.80	8,470.57	142,679.46
Outstanding items		-6,253.59			-2,260.50
Current Bank Balance	-16,250.58	750,579.45	19,464.80	8,470.57	144,939.96
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.

February 2025 Interest Income

ACTION-BUS DEV-BUS PARK-XXX127	910-11800	2,545.50	February 2025 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	63.04	February 2025 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	28.73	February 2025 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	168.57	February 2025 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(2,545.50)	February 2025 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(63.04)	February 2025 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(28.73)	February 2025 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(168.57)	February 2025 Interest Income

CITY OF WHITEWATER
BALANCE SHEET
FEBRUARY 28, 2025

Item 3.

INNOVATION CTR-OPERATIONS

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
920-11100 CASH	66,803.76	7,264.62	581.39	67,385.15
920-11300 INVESTMENTS-ASSOC-DROULLARD	9,107.93	30.15	62.34	9,170.27
920-17100 INTEREST RECEIVABLE	2,437.33	.00	.00	2,437.33
920-19200 SHORT TERM LEASE RECEIVABLE	141,248.31	.00	.00	141,248.31
920-19250 LONG TERM LEASE RECEIVABLE	589,951.02	.00	.00	589,951.02
TOTAL ASSETS	809,548.35	7,294.77	643.73	810,192.08
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
920-21100 ACCOUNTS PAYABLE	12,003.20	(145.49)	(12,003.20)	.00
920-21106 WAGES CLEARING	1,762.28	.00	(1,762.28)	.00
920-23810 ACCRUED VACATION & SICK LEAVE	2,865.98	.00	.00	2,865.98
920-29500 DEF INFLOW OF RESOURCES LEASES	699,434.89	.00	.00	699,434.89
TOTAL LIABILITIES	716,066.35	(145.49)	(13,765.48)	702,300.87
<u>FUND EQUITY</u>				
920-34100 ASSIGNED FB-MAINT SINKING FD	6,000.00	.00	.00	6,000.00
920-34200 ASSIGNED FB-DROULLARD MEM	21,393.07	.00	.00	21,393.07
920-34300 FUND BALANCE	66,088.93	.00	.00	66,088.93
UNAPPROPRIATED FUND BALANCE:				
REVENUE OVER EXPENDITURES - YTD	.00	7,440.26	14,409.21	14,409.21
BALANCE - CURRENT DATE	.00	7,440.26	14,409.21	14,409.21
TOTAL FUND EQUITY	93,482.00	7,440.26	14,409.21	107,891.21
TOTAL LIABILITIES AND EQUITY	809,548.35	7,294.77	643.73	810,192.08

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 28, 2025

Item 3.

INNOVATION CTR-OPERATIONS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>MISCELLANEOUS REVENUE</u>					
920-48410-56 INT. INCOME--DROULLARD MEM	30.15	62.34	.00 (62.34)	.0
920-48622-56 RENT-ADVASEC INC	.00	75.00	.00 (75.00)	.0
920-48623-56 RENT-HEATHERLYN ASSIST LVG	150.00	300.00	1,800.00	1,500.00	16.7
920-48631-56 RENT-CESA #2	7,500.00	15,000.00	90,000.00	75,000.00	16.7
920-48632-56 RENT-JEDI	991.79	1,983.58	11,901.48	9,917.90	16.7
920-48633-56 RENT-BLACKTHORNE CAPITAL LLC	1,974.00	3,948.00	23,688.00	19,740.00	16.7
920-48636-56 RENT-I-BUTTON	7,827.16	11,740.74	46,962.96	35,222.22	25.0
920-48640-56 RENT-REIMER SYSTEMS	175.00	350.00	2,100.00	1,750.00	16.7
920-48646-56 RENT-CROWDS.IO-IDEAWAKE	150.00	300.00	1,800.00	1,500.00	16.7
920-48653-56 RENT-SCANALYTICS	150.00	300.00	1,800.00	1,500.00	16.7
920-48661-56 RENT-BLUE LINE BATTERIES	833.00	1,666.00	9,996.00	8,330.00	16.7
920-48666-56 RENT-MINERAL ARMOR	150.00	300.00	1,800.00	1,500.00	16.7
920-48672-56 RENT-IRON FORGE DEVEL LLC	175.00	350.00	2,100.00	1,750.00	16.7
920-48673-56 RENT-KREATIVE SOLUTIONS	75.00	150.00	900.00	750.00	16.7
920-48680-56 RENT-NYLEN & PARTNERS	175.00	350.00	2,100.00	1,750.00	16.7
920-48681-56 RENT-SAFEPRO TECH	100.00	200.00	1,200.00	1,000.00	16.7
920-48683-56 RENT-PAQUETTE CENTER	3,004.52	6,009.04	36,054.24	30,045.20	16.7
920-48684-56 RENT-US FORESTRY SVC	.00	1,948.34	11,690.04	9,741.70	16.7
920-48686-56 RENT-SUMMERSET MARINE	175.00	350.00	2,100.00	1,750.00	16.7
920-48687-56 RENT-REGENCY RARE COINS	733.00	1,466.00	2,932.00	1,466.00	50.0
TOTAL MISCELLANEOUS REVENUE	24,368.62	46,849.04	250,924.72	204,075.68	18.7
<u>OTHER FINANCING SOURCES</u>					
920-49300-56 FUND BALANCE APPLIED	.00	.00	(22,252.26)	(22,252.26)	.0
TOTAL OTHER FINANCING SOURCES	.00	.00	(22,252.26)	(22,252.26)	.0
TOTAL FUND REVENUE	24,368.62	46,849.04	228,672.46	181,823.42	20.5

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 28, 2025

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INNOVATION CTR-OPERATIONS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
	<u>INNOVATION CENTER</u>					
920-56500-111	SALARIES	2,773.17	4,910.30	44,774.68	39,864.38	11.0
920-56500-151	FRINGE BENEFITS	639.36	1,625.35	9,844.78	8,219.43	16.5
920-56500-212	LEGAL SERVICES	.00	.00	252.50	252.50	.0
920-56500-220	INSURANCE EXPENSE	.00	8,378.35	9,200.00	821.65	91.1
920-56500-221	UTILITIES-CITY-H2O/SEWER/STORM	535.16	535.16	7,575.00	7,039.84	7.1
920-56500-222	ELECTRIC UTILITIES	7,527.63	7,527.63	77,770.00	70,242.37	9.7
920-56500-225	TELECOM/INTERNET/COMMUNICATION	.00	.00	2,740.00	2,740.00	.0
920-56500-243	CONTRACT-PREVENTIVE MAINT	.00	.00	5,555.00	5,555.00	.0
920-56500-245	BUILDING MAINTENANCE	270.57	270.57	10,100.00	9,829.43	2.7
920-56500-246	JANITORIAL SERVICES	1,888.00	1,888.00	24,000.00	22,112.00	7.9
920-56500-250	BLDG MAINT SUPPLIES	113.39	2,813.39	11,059.50	8,246.11	25.4
920-56500-294	GROUNDS MAINTENANCE/SNOW/ICE	2,130.00	3,440.00	16,665.00	13,225.00	20.6
920-56500-310	OFFICE & OPERATING SUPPLIES	952.98	952.98	450.00	(502.98)	211.8
920-56500-311	POSTAGE	.00	.00	101.00	101.00	.0
920-56500-323	MARKETING EXPENSES	.00	.00	8,080.00	8,080.00	.0
920-56500-330	TRAVEL EXPENSE	98.10	98.10	505.00	406.90	19.4
	TOTAL INNOVATION CENTER	16,928.36	32,439.83	228,672.46	196,232.63	14.2
	TOTAL FUND EXPENDITURES	16,928.36	32,439.83	228,672.46	196,232.63	14.2
	NET REVENUE OVER EXPENDITURES	7,440.26	14,409.21	.00	(14,409.21)	.0

CITY OF WHITEWATER
BALANCE SHEET
FEBRUARY 28, 2025

Item 3.

ECONOMIC DEVELOPMENT FUND

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
	<u>ASSETS</u>				
900-11100	CASH	22,428.83	(9,030.30)	(38,679.41)	(16,250.58)
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	44,574.90	(9,030.30)	(38,679.41)	5,895.49
	<u>LIABILITIES AND EQUITY</u>				
	<u>LIABILITIES</u>				
900-21100	ACCOUNTS PAYABLE	2,614.77	(67.00)	(2,614.77)	.00
900-21106	WAGES CLEARING	5,879.91	.00	(5,879.91)	.00
900-23810	ACCRUED VACATION & SICK LEAVE	5,492.03	.00	.00	5,492.03
900-29011	GASB 68-WRS DIR	12,767.45	.00	.00	12,767.45
	TOTAL LIABILITIES	26,754.16	(67.00)	(8,494.68)	18,259.48
	<u>FUND EQUITY</u>				
900-34300	PROPRIETARY CAPITAL	17,820.74	.00	.00	17,820.74
	UNAPPROPRIATED FUND BALANCE:				
	REVENUE OVER EXPENDITURES - YTD	.00	(8,963.30)	(30,184.73)	(30,184.73)
	BALANCE - CURRENT DATE	.00	(8,963.30)	(30,184.73)	(30,184.73)
	TOTAL FUND EQUITY	17,820.74	(8,963.30)	(30,184.73)	(12,363.99)
	TOTAL LIABILITIES AND EQUITY	44,574.90	(9,030.30)	(38,679.41)	5,895.49

**CITY OF WHITEWATER
BALANCE SHEET
FEBRUARY 28, 2025**

Item 3.

CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11600 CDBG-HOUSING CHK-1CSB XXX450	8,408.74	28.73	61.83	8,470.57
910-11702 FACADE CKING-1ST CIT- XXX442	14,500.97	2,481.63	4,963.83	19,464.80
910-11800 ACTION-BUS DEV-BUS PARK-XXX127	323,303.26	(4,329.23)	1,178.98	324,482.24
910-11801 ACTION-LAND PURCHASE-XXX127	419,843.62	.00	.00	419,843.62
910-11900 CAP CAT-ASSOC BK XXXXX3734	144,556.29	(2,091.93)	(1,876.83)	142,679.46
910-13500 PAUQUETTE CENTER LOAN RECV	96,423.04	(1,289.52)	(2,579.04)	93,844.00
910-13501 ACTION-LEARNING DEPOT \$41,294	12,247.42	(659.65)	(1,317.11)	10,930.31
910-13508 ACTION-FINE FOOD ARTS \$30,000	30,000.00	.00	.00	30,000.00
910-13509 ACTION-SAFEPRO TECH \$100K	85,259.90	(1,192.80)	(2,381.70)	82,878.20
910-13510 ACTION-SWSPOT/GILDEMEISTER 54K	37,512.29	(627.65)	(1,253.20)	36,259.09
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	6,688.75	.00	.00	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	(27,500.00)	(27,500.00)	.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	(77,500.00)	(77,500.00)	.00
910-15019 CAP CAT-INVENTALATOR-142798.81	.00	142,798.81	142,798.81	142,798.81
910-16008 FACADE-BOWERS HOUSE LLC \$50K	56,451.64	(2,068.79)	(4,135.72)	52,315.92
910-16009 FACADE-SHABANI INV LLC \$50K	49,175.22	(139.54)	(278.61)	48,896.61
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)
910-18350 LAND	565,797.38	.00	.00	565,797.38
910-18360 REAL ESTATE	6,128,544.00	.00	.00	6,128,544.00
TOTAL ASSETS	8,573,656.43	27,910.06	30,181.24	8,603,837.67

LIABILITIES AND EQUITY

LIABILITIES

910-22000 ACCUM DEPREC-BUILDING	1,709,182.14	.00	.00	1,709,182.14
910-25100 DUE TO GENERAL FUND	4,840.46	(4,840.46)	(4,840.46)	.00
TOTAL LIABILITIES	1,714,022.60	(4,840.46)	(4,840.46)	1,709,182.14

FUND EQUITY

CITY OF WHITEWATER
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CDA PROGRAMS FUND

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
910-30110 CONTRIBUTED CAPITAL	275,171.53	.00	.00	275,171.53
910-34300 PROPRIETARY CAPITAL	6,053,564.37	.00	.00	6,053,564.37
910-34400 RESERVE FOR LAND PURCHASES	530,897.93	.00	.00	530,897.93
UNAPPROPRIATED FUND BALANCE:				
REVENUE OVER EXPENDITURES - YTD	.00	32,750.52	35,021.70	35,021.70
BALANCE - CURRENT DATE	.00	32,750.52	35,021.70	35,021.70
TOTAL FUND EQUITY	6,859,633.83	32,750.52	35,021.70	6,894,655.53
TOTAL LIABILITIES AND EQUITY	8,573,656.43	27,910.06	30,181.24	8,603,837.67

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
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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	.00	50,000.00	50,000.00	.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
900-49270-56	TRANSFER TID #10-ADMIN	.00	.00	50,000.00	50,000.00	.0
900-49290-56	GENERAL FUND TRANSFER	.00	.00	30,000.00	30,000.00	.0
900-49300-56	FUND BALANCE APPLIED	.00	.00	6,617.61	6,617.61	.0
TOTAL OTHER FINANCING SOURCES		.00	.00	186,617.61	186,617.61	.0
TOTAL FUND REVENUE		.00	.00	186,617.61	186,617.61	.0

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 28, 2025

Item 3.

ECONOMIC DEVELOPMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
	<u>CDA</u>					
900-56500-111	SALARIES	6,924.02	12,996.05	125,348.75	112,352.70	10.4
900-56500-151	FRINGE BENEFITS	1,545.75	3,971.97	28,580.05	24,608.08	13.9
900-56500-210	PROFESSIONAL DEVELOPMENT	.00	361.00	2,000.00	1,639.00	18.1
900-56500-215	PROFESSIONAL SERVICES	.00	.00	2,550.25	2,550.25	.0
900-56500-222	COUNTY/REGIONAL ECON DEV	.00	11,218.50	12,120.00	901.50	92.6
900-56500-223	MARKETING	.00	.00	1,500.00	1,500.00	.0
900-56500-224	SOFTWARE/HARDWARE MAINTENANCE	258.10	1,112.74	7,170.37	6,057.63	15.5
900-56500-225	TELECOM/INTERNET/COMMUNICATION	67.52	67.52	2,219.74	2,152.22	3.0
900-56500-310	OFFICE & OPERATING SUPPLIES	60.04	270.04	612.06	342.02	44.1
900-56500-311	POSTAGE	.00	79.04	204.02	124.98	38.7
900-56500-325	PUBLIC EDUCATION	.00	.00	235.00	235.00	.0
900-56500-330	TRAVEL EXPENSE	107.87	107.87	3,774.37	3,666.50	2.9
900-56500-341	MISC EXPENSE	.00	.00	303.00	303.00	.0
	TOTAL CDA	8,963.30	30,184.73	186,617.61	156,432.88	16.2
	TOTAL FUND EXPENDITURES	8,963.30	30,184.73	186,617.61	156,432.88	16.2
	NET REVENUE OVER EXPENDITURES	(8,963.30)	(30,184.73)	.00	30,184.73	.0

CITY OF WHITEWATER
REVENUES WITH COMPARISON TO BUDGET
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CDA PROGRAMS FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
	<u>CAPITAL CAT-SEED FUND REV</u>					
910-43018-00	CAPCAT INT-INVENTALATOR 142798	37,798.81	37,798.81	.00	(37,798.81)	.0
	TOTAL CAPITAL CAT-SEED FUND REV	37,798.81	37,798.81	.00	(37,798.81)	.0
	<u>FACADE LOAN REVENUE</u>					
910-44005-00	FACADE INT-BOWER'S HOUSE \$50K	46.81	95.48	.00	(95.48)	.0
910-44006-00	FACADE INT-SHABANI INV LLC 50K	163.45	327.37	.00	(327.37)	.0
	TOTAL FACADE LOAN REVENUE	210.26	422.85	.00	(422.85)	.0
	<u>ACTION LOAN REVENUE</u>					
910-46001-00	INT INC-ACTION-LRN DEPOT \$41K	38.40	78.99	340.86	261.87	23.2
910-46008-00	INT INC-ACTION-SAFEPRO \$100K	280.20	564.30	3,145.80	2,581.50	17.9
910-46010-00	INT INC-ACTION-SWSPOT/GILDE	131.10	264.30	1,356.59	1,092.29	19.5
	TOTAL ACTION LOAN REVENUE	449.70	907.59	4,843.25	3,935.66	18.7
	<u>MISCELLANEOUS REVENUE</u>					
910-48103-00	INTEREST INCOME-FACADE	63.04	126.65	668.25	541.60	19.0
910-48104-00	INTEREST INCOME-HOUSING	28.73	61.83	388.50	326.67	15.9
910-48108-00	INTEREST INCOME-SEED FUND	168.57	383.67	562.50	178.83	68.2
910-48109-00	INTEREST INCOME-ACTION FUND	2,545.50	5,482.24	25,312.50	19,830.26	21.7
910-48605-00	RENTAL INCOME-CROP LEASES	.00	.00	15,876.00	15,876.00	.0
	TOTAL MISCELLANEOUS REVENUE	2,805.84	6,054.39	42,807.75	36,753.36	14.1
	<u>OTHER FINANCING SOURCES</u>					
910-49300-56	FUND BALANCE APPLIED	.00	.00	(37,651.00)	(37,651.00)	.0
	TOTAL OTHER FINANCING SOURCES	.00	.00	(37,651.00)	(37,651.00)	.0
	TOTAL FUND REVENUE	41,264.61	45,183.64	10,000.00	(35,183.64)	451.8

CITY OF WHITEWATER
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 2 MONTHS ENDING FEBRUARY 28, 2025

Item 3.

CDA PROGRAMS FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
	<u>CDA PROGRAMS</u>					
910-56500-212	LEGAL/PROFESSIONAL/MARKETING	3,665.50	4,440.50	5,000.00	559.50	88.8
910-56500-219	PROFESSIONAL SERVICES	2,260.50	2,260.50	5,000.00	2,739.50	45.2
910-56500-408	RENTAL & PROPERTY EXPENSES	1,907.98	2,418.86	.00	(2,418.86)	.0
910-56500-525	ACTION GRANTS-BUSINESS DEV	680.11	1,042.08	.00	(1,042.08)	.0
	TOTAL CDA PROGRAMS	8,514.09	10,161.94	10,000.00	(161.94)	101.6
	TOTAL FUND EXPENDITURES	8,514.09	10,161.94	10,000.00	(161.94)	101.6
	NET REVENUE OVER EXPENDITURES	32,750.52	35,021.70	.00	(35,021.70)	.0

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) 02/05/2025 ACH PAYMENT
ACTION-SWSPOT/GILDEMEISTER 54K	Principal	Credit	910-13510	(627.65) 02/24/2025 ACH PAYMENT
INT INC-ACTION-SWSPOT/GILDE	Interest	Credit	910-46010-00	(131.10) 02/24/2025 ACH PAYMENT
ACTION-SAFEPRO TECH \$100K	Principal	Credit	910-13509	(1,192.80) 02/11/2025 ACH PAYMENT
INT INC-ACTION-SAFEPRO \$100K	Interest	Credit	910-46008-00	(280.20) 02/11/2025 ACH PAYMENT
ACTION-LEARNING DEPOT \$41,294	Principal	Credit	910-13501	(659.65) 02/03/2025 ACH PAYMENT
INT INC-ACTION-LRN DEPOT \$41K	Interest	Credit	910-46001-00	(38.40) 02/03/2025 ACH PAYMENT
FACADE CKING-1ST CIT- XXX442	Total Deposit	Credit	910-11702	2,115.60
FACADE-BOWERS HOUSE LLC \$50K	Principal	Credit	910-16008	(2,068.79) 02/10/2025 ACH PAYMENT
FACADE INT-BOWER'S HOUSE \$50K	Interest	Credit	910-44005-00	(46.81) 02/10/2025 ACH PAYMENT
FACADE-SHABANI INV LLC \$50K	Principal	Credit	910-16009	(139.54) 02/18/2025 ACH PAYMENT
FACADE INT-SHABANI INV LLC 50K	Interest	Credit	910-44006-00	(163.45) 02/18/2025 ACH PAYMENT
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$18.87 126 N JEFFERSON ST-WATER SEWER
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$19.48 108 W Main St-WATER SEWER
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$19.48 216 E Main St- WATER SEWER
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$19.48 216 A E Main St-WATER SEWER
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$9.57 Gas-071399904-00114-108 W Main St
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$32.28 Electric-071399904-00112-108 W Main St
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$31.69 Electric-071399904-00116-216 E Main
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$27.40 Electric-071399904-00113-108 W Main St
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$26.96 Electric-071399904-00115-216 E Main Lower
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$105.22 216 E MAIN ST DEMO BID
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$1,571.00 126 N JEFFERSON ST METER REMOVAL
RENTAL & PROPERTY EXPENSES		Debit	910-56500-408	\$26.55 126 N JEFFERSON ST METER REMOVAL
LEGAL/PROFESSIONAL/MARKETING		Debit	910-56500-212	\$1,619.50 BLACK SHEEP LEGAL WORK
LEGAL/PROFESSIONAL/MARKETING		Debit	910-56500-212	\$2,046.00 /WA 23728 TITLE POLICY-LAND GIFTED TO EMS/FIRE
ACTION GRANTS-BUSINESS DEV		Debit	910-56500-525	\$680.11 WIND UP WINNINGS-HOLLY BARNETT
ACTION-BUS DEV-BUS PARK-XXX127		Credit	910-11800	(\$6,253.59) ACTION FUND JANUARY 2025
PROFESSIONAL SERVICES		Debit	910-56500-219	- SHABANI FACADE LOAN WORK
FACADE CKING-1ST CIT- XXX442		Credit	910-11702	- SHABANI FACADE LOAN WORK
PROFESSIONAL SERVICES		Debit	910-56500-219	\$2,260.50 INVENTALATOR LEGAL WORK
CAP CAT-ASSOC BK XXXXX3734		Credit	910-11900	(\$2,260.50) UCC Filing -INVENTOLATOR

Report Criteria:
Report type: GL detail
Invoice Detail.GL account = 9001000000-90099999999,9101000000-91099999999

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Notes	Description	Invoice Number	Invoice GL Account	Invoice Amount
900									
02/25	02/20/2025	98018	291	GORDON FLESCH CO INC		JAN 2025 COPIES CHARGE	IN15043371	900-56500-310	17.38
02/25	02/19/2025	900178	8487	US BANK	TAYLOR ZEINERT-SQ *THE	Coffee with someone looking to do the veterans memorial	February 202	900-56500-310	8.31
02/25	02/19/2025	900178	8487	US BANK	JEREMIAH THOMAS-STERI	JAN 2025 SHREDDING SVC	February 202	900-56500-310	34.35
02/25	02/19/2025	900178	8487	US BANK	TAYLOR ZEINERT-STARBUC	Coffee at Conference	February 202	900-56500-330	3.53
02/25	02/19/2025	900178	8487	US BANK	TAYLOR ZEINERT-TACO BE	Dinner at Conference	February 202	900-56500-330	13.09
02/25	02/19/2025	900178	8487	US BANK	TAYLOR ZEINERT-KWIK TRI	Gas for the roundtable event and visiting Washington County	February 202	900-56500-330	37.69
02/25	02/19/2025	900178	8487	US BANK	TAYLOR ZEINERT-TST* K'S	Lunch after a roundtable event hosted by WEDC	February 202	900-56500-330	17.80
02/25	02/19/2025	900178	8487	US BANK	TAYLOR ZEINERT-TST*CAF	Lunch after visiting Washington County ED	February 202	900-56500-330	8.96
02/25	02/19/2025	900178	8487	US BANK	JEREMIAH THOMAS-STAFF	2024-CDA LEGAL WORK	Feburary 202	900-56500-212	67.00
Total 900:									208.11
Grand Totals:									208.11

ACTION FUND		ORIGINAL	01/31/2025			02/28/2025	Principal Pymts		
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	NOTES
910-13500	PAUQUETTE CENTER LOAN RECV	\$158,320.00	\$95,133.52	1,289.52	0.00	\$93,844.00	\$64,476.00		Current
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$11,589.96	659.65	38.40	\$10,930.31	\$30,364.32		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	\$84,071.00	1,192.80	280.20	\$82,878.20	\$21,481.80		Current
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$36,886.74	627.65	131.10	\$36,259.09	\$17,740.91		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	\$270,181.22	\$3,769.62	\$449.70	\$266,411.60	\$263,752.53	\$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	01/31/2025			02/28/2025	Principle Pymts		
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	NOTES
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	75,000.00	54,384.71	2,068.79	46.81	52,315.92	\$22,684.08		Current
910-16009	FAÇADE-SHABANI INV LLC \$50K	50,000.00	49,036.15	139.54	0.00	48,896.61	\$1,103.39		New Loan June 2024-First payment July 2024
TOTALS		\$ 75,000.00	\$ 54,384.71	\$ 2,068.79	\$ 46.81	\$ 52,315.92			

CAPITAL CATALYST		ORIGINAL	01/31/2025			02/28/2025	Principal Pymts	Amount	
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE	To Date	Written Off	NOTES
910-15000	CAP CAT-SLIPSTREAM-\$102,500	\$102,500.00	\$102,500.00	0.00	0.00	\$102,500.00	\$0.00		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	27,500.00	0.00	\$0.00	\$27,500.00		annual net revenue royalty-last pymt 11/22/2024
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	\$97,500.00	\$97,500.00	0.00	0.00	\$97,500.00	\$0.00		annual net revenue royalty-only payment rec'd 04/02/2019
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	\$77,500.00	\$77,500.00	77,500.00	0.00	\$0.00	\$77,500.00		annual net revenue royalty-last pymt 11/22/2024
910-15018	CAP CAT-RECRUITCHUTE \$51,050	\$51,050.00	\$0.00	0.00	0.00	\$0.00	\$0.00	\$51,050.00	Disolved in 2021/Written of August 2024
TOTALS		\$601,264.00	\$550,214.00	\$105,000.00	\$0.00	\$242,000.00	\$308,214.00	\$153,050.00	
910-15999	CAP CAT-LOAN LOSS RESERVE		\$0.00						

HOUSING		ORIGINAL	01/31/2025			02/28/2025	
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

AFFORDABLE HOUSING LOANS		ORIGINAL	01/31/2025			02/28/2025
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	BALANCE
441-14000	12/27/2023 Waylon Raupp-245 S Whiton St	\$25,000.00	\$25,000.00		0.00	\$25,000.00
441-14000	08/29/2024 Nicholas Carpenter-303 S Whiton St	\$25,000.00	\$25,000.00		0.00	\$25,000.00
441-14000	09/03/2024 Mark C Robb-371 S Janesville St	\$25,000.00	\$25,000.00		0.00	\$25,000.00
441-14000	12/20/2024 Tanner & Monica Conn-243 N Fremont	\$25,000.00	\$25,000.00		0.00	\$25,000.00
TOTALS		\$100,000.00	\$100,000.00	\$0.00	\$0.00	\$100,000.00



CDA Agenda Item

Meeting Date: April 17, 2025

Agenda Item: Black Sheep Liquor License

Staff Contact (name, email, phone): Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

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

Executive Summary:

CDA has requested updates on businesses who have a liquor licenses, but are not currently in operation. Lloyd's (formally known as Black Sheep) received a liquor license on 07/01/2024 with an expiration date of 6/30/2025. Lloyd's has not been open. State Statutes require that a business must be open for at least 50 days during the one-year period of the license term. Due to Lloyd's not being open, the City Clerk alerted the owner (Dan Rodrigez) that she is recommending non-renewal to the Alcohol Committee.

Dan reached out to the City Clerk and stated that he plans to be open for at least 50 days. Assuming that Dan would want to open for 50 consecutive days, he would need to open his restaurant by May 21st.

More Information:

The CDA requested to be informed about the liquor licenses related to Black Sheep. The new tenant where Black Sheep is located is Dan Rodriguez. Dan received his liquor license for his new restaurant, Lloyds. Please note that Dan received his liquor license on 7/1/2024, with an expiration for 6/30/2025.

Dan plans on opening a gourmet burger sports bar in the restaurant formally known as Black Sheep. Dan has not open Lloyd's since receiving the liquor license. EDD Zeinert reached out to Dan to see if there was anything that was hindering from opening the restaurant. Dan informed EDD Zeinert via phone that there is nothing holding him back and he could open that day.

The City Clerk's office oversees the city's liquor licenses. The Clerk's office has sent the attached letter to Lloyd's regarding their liquor license. Due to Lloyd's never being open, the City Clerk is recommending to the alcohol committee that his license not be renewed. Attached to this memo is a copy of the Clerk's letter.

Upon receiving the letter Dan reached out to the Clerk's Office. Dan states that he plans to be open at least 50 days before July 1, 2025.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

CDA asked for updates from Staff regarding the Status of "Black Sheep" liquor license.

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

N/A

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Letter from the City Clerk's office to Lloyd's

March 19, 2025

Lloyd's
206-210 W Whitewater St
Whitewater, WI 53190

Re: Lloyd's Alcohol License

Dear Daniel Rodriguez:

This letter is to provide information regarding the City's alcohol licensing requirements and potential actions the City could take if Lloyd's is not open for business.

The City prohibits a licensed premises from being closed for 90 consecutive days. City of Whitewater Ordinances § 5.20.032(B). Further, Section 5.20.032(B) of the City Code of Ordinances provides that if an issued "Class A" or "Class B" alcohol license is not used by the license holder for at least 50 days during the one-year period of the license term, the Common Council may revoke or non-renew the license.

It has come to the City's attention that Lloyd's a has not been open for business for several weeks and its license has not been used in accordance with City requirements. Therefore, if Lloyd's requests renewal of its alcohol license, the Common Council may proceed with denying your renewal application if Lloyd's does not reopen for business.

To be clear, the City is not initiating non-renewal, revocation, or suspension of the alcohol license at this time. This letter is only meant to provide you with information regarding potential outcomes if Lloyd's remains closed for business within the City.

Please feel free to contact me if you have any questions.

Sincerely,

Heather Boehm
City Clerk



CDA Agenda Item

Meeting Date: April 17, 2025

Agenda Item: Update on Legal Status of Black Sheep

Staff Contact (name, email, phone): Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

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

Executive Summary:

The civil complaint against Jay Stinson has been filed. At this time our legal counsel is waiting for Mr. Stinson to respond.

More Information:

The CDA directed EDD Zeinert to pursue legal action against Jay Stinson in regards to his defaulted loan from the Black Sheep.

Attorney Vladimirova has worked to serve Mr. Stinson. Service has been completed and the formal complaint has been filed with the Illinois court system. Please note the reason why the complaint is filled in Illinois is that Mr. Stinson currently resides in Cook County.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

CDA asked EDD Zeinert to pursue legal action against Jay Stinson

FINANCIAL IMPACT

(If none, state N/A)

N/A


STAFF RECOMMENDATION

N/A

ATTACHMENT(S) INCLUDED

(If none, state N/A)

N/A

	CDA Agenda Item
Meeting Date:	April 17, 2025
Agenda Item:	Update of Slipstream Legal Matters
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

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

Executive Summary:

Slipstreams legal counsel did not show up to the previously agreed upon meeting date. A civil complaint has been filed against Slipstream.

More Information:

Slipstream is a company that the CDA previously gave a series of loans to. Slipstream did not pay the loan back. The owner of Slipstream presented to the CDA the status of the business. At this time Slipstream is not making a profit. The CDA has directed staff to pursue legal action to recover any possible funds from Slipstream.

Attorney Vladimirova is the Attorney that has been handling all of the CDA legal matters regarding bankruptcy, etc. Attorney Vladimirova reached out to Slipstream's legal counsel to set up a meeting. The two parties agreed to meet via phone on 3/20/25. Slipstream's legal counsel did not respond to any phone calls or emails.

Attorney Vladimirova requested approval from staff to move forward with a civil complaint. Staff gave Attorney Vladimirova the approval to do so. Staff did this based on the feedback EDD Zeinert received from the CDA.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

CDA directed staff to pursue legal matters against Slipstream.

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

N/A

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

N/A



CDA Agenda Item

Meeting Date: April 17, 2025

Agenda Item: Update of Scanalytics

Staff Contact (name, email, phone): Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

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

Executive Summary:

A demand letter has been sent to the owner of Scanalytics, Joe Scanlin. The demand letter is attached.

More Information:

At the March CDA meeting the CDA directed EDD Zeinert to pursue legal matters against Scanalytics after reviewing the Finance Director's update that Scanalytics is not current on their loan. Further, the Finance Director recommended legal action be considered.

EDD Zeinert reached out to Attorney Vladimiorva, as she is the legal counsel that has been handling all CDA defaulted loans. Attorney Vladimiorva reviewed the loan documents and saw that we have grounds to pursue the defaulted loan. Attorney Vladimiorva has sent a demand letter to Mr. Scanlin. That demand letter has been attached to this memo.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

CDA asked EDD Zeinert to pursue legal action against Scanalytics.

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

N/A

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Demand Letter

222 West Washington Avenue, Suite 900
P.O. Box 1784
Madison, WI 53701-1784
IVladimirova@staffordlaw.com
608.259.2639

April 9, 2025

VIA EMAIL
AND CERTIFIED MAIL

Scanalytics, Inc.
Attn: Joseph Scanlin
10700 W. Research Dr., Suite 350
Wauwatosa, WI 53226

RE: Notice of Default

Mr. Scanlin,

This office represents the Community Development Authority of the City of Whitewater, Wisconsin in connection with obligations owed by Scanalytics, Inc., a Wisconsin corporation (the “**Borrower**” or “**You**”), to the Community Development Authority of the City of Whitewater, Wisconsin (the “**Lender**”) pursuant to that certain Secured Promissory Note dated October 26, 2015 in the principal sum of \$97,500.00 (the “**Note**”). A true and correct copy of the Note is attached hereto as **Exhibit A**. To secure the obligations under the Note, You granted the Lender security interest in all assets of the Borrower pursuant to that certain General Business Security Agreement dated August October 26, 2015 (the “**Security Agreement**”). A true and correct copy of the Security Agreement is attached hereto as **Exhibit B**. A UCC Financing Statement was subsequently filed with the Wisconsin Department of Financial Institutions to perfect the Lender’s security interest in all assets of the Borrower pursuant to the Security Agreement. A true and correct copy of the UCC Financing Statement is attached hereto as **Exhibit C**. You previously defaulted on the Note by failing to pay all sums due and owing to the Lender under the Note by the applicable maturity date. As a result of such default, You executed that certain Forbearance Agreement dated February 27, 2019, under which the Lender agreed to temporarily forgo the enforcement of its rights arising from Borrower’s default under the Note. A true and correct copy of the Forbearance Agreement is attached hereto as **Exhibit D**.

You are in default under the terms of the Note and Forbearance Agreement. Specifically, among other defaults, You failed to make payments in full of all accrued interest and principal payments due under the Note and Forbearance Agreement by the applicable maturity date. The total amount of accrued, unpaid principal and interest on the

Madison Office

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53701-1784
608.256.0226
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1200 North Mayfair Road
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53226-3282
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Fax 414.982.2889
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April 9, 2025

Page 2

Item 7.

Note and Forbearance Agreement currently due is \$197,415.34 (the “**Outstanding Balance**”). This constitutes a default under Section 6(a) of the Note.

Lender demands full payment of the Outstanding Balance in the amount of \$197,415.34 by April 30, 2025. Payment must be made by certified funds, cashier’s check or money order payable to the Community Development Authority of the City of Whitewater, Wisconsin and delivered to:

Community Development Authority of the City of Whitewater, Wisconsin
312 W. Whitewater St.
P.O. Box 178
Whitewater, WI 53190

If payment in full is not received by April 30, 2025, we will have no choice but to pursue all remedies available to use under the terms of the Note, Security Agreement, Forbearance Agreement and applicable law, including but not limited to a legal action to collect the sums due. You will also be liable for additional costs and attorneys’ fees incurred in pursuing these remedies.

If you wish to dispute the amounts stated or have any questions regarding this demand, please contact us immediately at 608-259-2639 or IVladimirova@staffordlaw.com. This letter is an attempt to collect a debt and any information obtained will be used for that purpose.

Best regards,

STAFFORD ROSENBAUM LLP



Iana A. Vladimirova

IAV:nkb

Enclosures

cc: Community Development Authority of the City of Whitewater, Wisconsin
(via email – tzeinert@whitewater-wi.gov)

EXHIBIT A

COPY

SECURED PROMISSORY NOTE

\$97,500.00

Whitewater, Wisconsin
October 26, 2015

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

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

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

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

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

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

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

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

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

(i) this Note duly executed by the Maker;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Remedies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

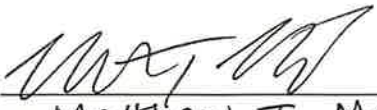
13. Miscellaneous. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be liberally construed in favor of the Lender in order to effect the provisions of this Note.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

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

[Remainder of page intentionally left blank]

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

SCANALYTICS, INC.

By: 
Name: Matthew T Mcloy
Title: COO

SCHEDULE 1

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

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

EXHIBIT B

GENERAL BUSINESS SECURITY AGREEMENT

Dated October 26, 2015

1. SECURITY INTEREST

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

2. DEBTOR'S WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. SHIPPERS

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

4. SALE AND COLLECTIONS

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

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

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

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

ADDITIONAL PROVISIONS

5. DEBTOR'S COVENANTS

Item 7.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. RIGHTS OF LENDER

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

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

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

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

7. DEFAULT

Item 7.

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

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

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

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

8. WAIVER AND CONSENT

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

9. INTERPRETATION

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

10. PERSONS BOUND

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

11. ENTIRE AGREEMENT

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

12. OTHER PROVISIONS

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

SCANALYTICS, INC. (SEAL)
DEBTOR

(SEAL)
DEBTOR

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

MILWAUKEE, WISCONSIN 53202

(CORPORATION)
TYPE OF ORGANIZATION

(WISCONSIN)
STATE OF ORGANIZATION

By: 

(COO)
TITLE

Matthew T McCoy

By:

(
TITLE

*

*Type or print name signed above.

EXHIBIT C

Wisconsin Department of Financial Institutions - Uniform
Commercial Code

Filing Number: 150013462521

Filing Date and Time: 10/26/2015 02:20 PM

Total Number of Pages: 2

(This document was filed electronically.)

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Laura L Lightholder Quarles & Brady LLP (414)277-5387
B. E-MAIL CONTACT AT FILER (optional) laura.lightholder@quarles.com
C. SEND ACKNOWLEDGEMENT TO: (Name and Address) Laura L Lightholder Quarles & Brady LLP laura.lightholder@quarles.com

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 SCANALYTICS, INC.				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 260 E. HIGHLAND AVENUE		CITY MILWAUKEE	STATE WI	POSTAL CODE 53202
Type Of Organization		Jurisdiction of Organization	Organizational ID#, if any	

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
Type Of Organization		Jurisdiction of Organization	Organizational ID#, if any	

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 COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WHITEWATER, WISCONSIN				
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	

4. COLLATERAL: This financing statement covers the following collateral:

ALL ASSETS OF DEBTOR.

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
Debtor is ☐ Decedent's Estate ☐ Trustee acting with respect to property held in trust ☐ Trust

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:

WI DFI

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 04/20/11)

Filing Number: 20201012000219-6

Filing Date and Time: 10/12/2020 11:52 AM

Total Number of Pages: 1

(This document was filed electronically)

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Community Development Authority of the City of Whitewater, Wisconsin				
B. E-MAIL CONTACT AT FILER (optional) bmiller@whitewater-wi.gov				
C. SEND ACKNOWLEDGEMENT TO: (Name and Address) Community Development Authority of the City of Whitewater, Wisconsin 312 W. Whitewater St. P.O. Box 178 Whitewater, WI 53190-0178 USA				
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY				

1a. INITIAL FINANCING STATEMENT FILE NUMBER
150013462521

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ **ASSIGNMENT** (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☒ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ **PARTY INFORMATION CHANGE:**
Check one of these two boxes: AND Check one of these three boxes to:
 ☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ☐ ADD name: Complete item 7a or 7b, and item 7c ☐ DELETE name: Give record name to be deleted in item 6a or 6b
 This Change affects ☐ Debtor or ☐ Party of record

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME			
OR			
6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME			
OR			
7b. INDIVIDUAL'S SURNAME			
INDIVIDUAL'S FIRST PERSONAL NAME			
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)			SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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8. ☐ **COLLATERAL CHANGE:** Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral
Indicate collateral:

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME Community Development Authority of the City of Whitewater, Wisconsin			
OR			
9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. **OPTIONAL FILER REFERENCE DATA:**

EXHIBIT D

FORBEARANCE AGREEMENT

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

RECITALS AND STIPULATIONS

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

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

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

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

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

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

AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LENDER:

Community Development Authority of the
City of Whitewater, Wisconsin

By: 

Laurence Kachel, Chairman

BORROWER:

Scanalytics, Inc., a Wisconsin Corporation

By: 

Joe Scamini, CEO

Attest: 

Dave Carlson, Executive Director



Introduction

Item 8.

Hello everyone, let me introduce myself. My name is Lourdes Antonio, a high school graduate. I've lived in Whitewater almost my entire life. I arrived here in 4th grade when I was 8. I currently work for the school district as a paraprofessional. I never imagined going back to school, but now I'd be teaching and helping students. Outside of work, I dedicate myself to my children. I have 4 boys and a girl, a total of 5. I'm a single mother and very busy. I have 4 out of 5 playing sports, and I have to say they're very good kids.

How lulus cravings started.

Item 8.

lulus cravings is a family business that started when the father of my children was detained by immigration and I was a housewife.

No more income, had to pay expenses (lawyer, deposit money while he was in jail)

My mom back in mexico did this for a living to support me and her because i had a abusive dad.

Took her idea and started selling from home mexican snacks and food for companies.

What to expect/what is Lulus cravings?

Item 8.

Lulus cravings is a small family own business that started 9 years ago from home and over the years it's been expanding.

sells milkshakes, crepes, mini pancakes, ice cream, strawberries with cream, crepes with chocolate and many more.

Problems and struggles

Some of the problems I've had in opening Lulus Cravings have been not having enough funds to be able to buy all the electrical items like refrigerators, since they are all commercial items for businesses they are more expensive.

I will show right now what are the one and each of the commercial items needed to open up lulus.

Whitewater community

Item 8.

Demanding

Bring more people to whitewater.

People that have come to buy from other cities just to come and buy from me because my products catches their attention and want to try something new that they don't have it where they live.

People from : Madison, Janesville, Beloit, Delavan, Fort Atkinson, jefferson, lakemills, waterloo, kenosha, waukegan, belvidere, rockford, milwaukee, cicero Illinois

Item 8.

March 17, 2025

Community Development Authority
City of Whitewater
Taylor Zeinert, Economic Development Director
312 W Whitewater St
PO Box 178
Whitewater, WI 53190

Dear Community Development Authority and Taylor,

I hope this letter finds you well. I am writing to you on behalf of Edgerton Hospital and Health Services, as we are committed to providing the highest quality healthcare to the citizens of Whitewater. In line with our mission to better serve the health of the communities that we serve, we are requesting your support in funding an essential piece of equipment for a new Urgent Care Center at our location in Whitewater.

Specifically, we are seeking \$140,000 to assist with the purchase of an X-ray machine. This equipment will be a crucial part of the new Urgent Care Center we plan to establish, which will allow us to provide faster, more efficient care to those in need of immediate medical attention. An X-ray machine is indispensable for diagnosing a wide range of conditions, from fractures and injuries to respiratory issues, and will significantly enhance our ability to deliver timely and accurate diagnoses.

The addition of an Urgent Care Center equipped with advanced diagnostic tools will help reduce wait times for patients, ease the burden on transfers out of town to an emergency department (primarily Ft. Atkinson and Janesville which consumes significant EMS time and cost), and provide a more accessible healthcare option for individuals in need of immediate care. It will also help to meet the growing demand for healthcare services in Whitewater, particularly during off-hours when other medical facilities may not be as accessible. Our plan would be to operate the Urgent Care Center seven days a week and be open for 10 hours each day.




11101 N. SHERMAN ROAD
EDGERTON, WI 53534

We believe that this investment will have a direct and positive impact on the health and well-being of the community members. The funding will ensure that we are able to provide the highest level of care and maintain the hospital's reputation as a trusted and reliable healthcare provider.

I kindly ask that you consider our request for the \$140,000 allocation to support this vital project. We are happy to provide any additional information or details about the Urgent Care Center and the X-ray machine purchase if needed. In addition, I'd be happy to meet with the Community Development Authority or Common Council in person to further discuss. Edgerton Hospital is happy to enter into a "forgivable loan" agreement whereby we guarantee our commitment to remain in Whitewater for years into the future. Your approval of this funding would greatly assist us in meeting the urgent healthcare needs of the community and strengthening the local healthcare infrastructure.

Thank you for your time, attention, and continued support. We look forward to the opportunity to collaborate with you in making this important improvement to Whitewater's healthcare services.

Sincerely,



Marc Augsburger MBA, BSN, RHCEOC
President and Chief Executive Officer
Edgerton Hospital and Health Services



CDA Agenda Item

Meeting Date:	April 17, 2025
Agenda Item:	Modifications to “But For” Worksheet
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

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

Executive Summary:

To better align with the City of Whitewater’s economic development priorities, the Common Council has requested that the Community Development Authority (CDA) incorporate a scoring adjustment to prioritize projects with strong local economic ties. This modification will ensure that developments providing significant local benefits—such as employing local workers, sourcing materials from local businesses, or supporting regional supply chains—receive a higher ranking during the evaluation process.

More Information:

To better align with the City of Whitewater’s economic development priorities, the Common Council has requested that the Community Development Authority (CDA) incorporate a scoring adjustment to prioritize projects with strong local economic ties.

Two sections of the But For Worksheet were modified. These modifications have been highlighted in yellow. Please note that these additions and modifications emphasize job creation and put an emphasis on local businesses and workforce contribution.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

CDA previously approved the But For Worksheet.

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

Staff recommendation is to approve the changes.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Modified But For Worksheet

"But For" Test Evaluation Worksheet for the City of Whitewater and the CDA

This worksheet is designed to help the City of Whitewater and the Community Development Authority (CDA) evaluate whether a proposed development project meets the "but for" standard for Tax Increment Financing (TIF) in Wisconsin. Each criterion is rated on a scale of 1 to 10. The total possible score is **110** points.

Minimum Threshold

A project must score at least 80 points out of 110 to be considered meeting the "but for" standard.

Rater Information

- **Rater Name:** _____
- **Date:** _____
- **Department:** _____

Evaluation Criteria and Examples

1. Necessity of TIF for Development

Description: This criterion assesses whether the proposed development would proceed without TIF support. It is crucial because TIF is intended to stimulate projects that would not otherwise happen due to financial infeasibility.

- **Rating (1-10):**
 - **1-3:** Development would proceed without TIF support.
 - *Example:* A developer has multiple funding sources and the project is already planned regardless of TIF assistance.
 - **4-6:** Development might proceed on a smaller scale or delayed timeline without TIF.
 - *Example:* A developer is hesitant and indicates some parts of the project may be cut or postponed without TIF.
 - **7+:** Development would not proceed at all without TIF.
 - *Example:* The developer explicitly states that without TIF, the project is financially unfeasible and will be abandoned.
 - **10:** Comprehensive analysis shows the development is impossible without TIF and all other funding avenues have been exhausted.
 - *Example:* The developer provides detailed financial reports and evidence showing that without TIF, the project will not proceed and alternative funding sources have been explored and exhausted.
- **Rater Comments:**

2. Economic and Community Impact

Description: This criterion evaluates how the development fits into the municipality's overall economic strategy and land-use plans. It is important because the development should offer significant long-term benefits to the community.

- **Rating (1-10):**
 - **1-3:** The development does not align with the comprehensive land-use plan and has minimal community benefits.
 - *Example:* The project conflicts with the city's zoning plans and offers little long-term economic benefit.
 - **4-6:** The development partially aligns with the comprehensive land-use plan and provides moderate community benefits.
 - *Example:* The project generally fits the city's plans but may need zoning adjustments; it brings some economic advantages but with trade-offs.
 - **7+:** The development aligns with the comprehensive land-use plan and offers significant long-term benefits.
 - *Example:* The project is zoned correctly, supports or creates jobs, and creates meaningful economic growth.
 - **10:** The project is a cornerstone of the city's future economic development plans, with widespread community support and high anticipated economic returns.
 - *Example:* The project not only aligns perfectly with the city's plans but also has endorsements from key stakeholders and detailed projections showing major economic benefits.
- **Rater Comments:**

3. Benefits to Taxpayers

Description: This criterion measures whether the TID expenditure is feasible and beneficial to taxpayers. It ensures that the project is financially sound and offers tangible benefits to the community.

- **Rating (1-10):**
 - **1-3:** The expenditure for project costs is not feasible, and taxpayers see minimal benefit.
 - *Example:* The project's costs far outweigh the potential returns, and it burdens taxpayers.
 - **4-6:** The expenditure is feasible but with moderate risk; taxpayers see some benefit.
 - *Example:* The project is costly but manageable, with some expected return in the form of increased tax increment.
 - **7+:** The expenditure is feasible and offers clear benefits to taxpayers.
 - *Example:* The project is well-budgeted, expected to sustain property values, and generate sustained tax increment.
 - **10:** The project is projected to significantly increase tax revenues while also reducing costs for taxpayers in other areas.
 - *Example:* Detailed financial models show substantial returns on investment, leading to decreased tax rates or increased public services.
- **Rater Comments:**

4. Management and Oversight

Description: This criterion looks at the clarity of roles and responsibilities for managing the TID. Effective management and oversight are crucial for ensuring the project's success and compliance with regulations.

- **Rating (1-10):**

- **1-3:** Responsibility for the TID's management is unclear.
 - *Example:* No specific person or department is designated to manage the TID.
- **4-6:** Responsibility is somewhat clear but may lack comprehensive oversight.
 - *Example:* Management roles are assigned but lack detail in execution plans.
- **7+:** Clear, well-defined management and oversight roles are in place.
 - *Example:* Specific roles and responsibilities are assigned to experienced personnel with a solid management plan.
- **10:** There is an exceptionally detailed management plan with clear accountability and robust oversight mechanisms.
 - *Example:* The project includes a detailed management structure with experienced managers and comprehensive oversight protocols.
- **Rater Comments:**

5. Impact on Local Services

Description: This criterion evaluates the potential strain on local services and how well the project plans to address these impacts. It is important to ensure that the development does not negatively affect existing services.

- **Rating (1-10):**
 - **1-3:** The TID significantly strains local services without adequate planning.
 - *Example:* The project creates significant demand on schools, emergency services, and infrastructure without planned support.
 - **4-6:** The TID moderately impacts local services, but plans are in place to manage these impacts.
 - *Example:* There are some strains on services, but mitigation strategies are partially developed.
 - **7+:** The TID has minimal impact on local services and includes planning to manage any increase in demand.
 - *Example:* Comprehensive planning ensures that local services can handle the increased demand effectively.
 - **10:** The project not only minimizes impact on local services but also enhances them.
 - *Example:* The development includes funding for expanding local services, ensuring they improve alongside the project.
- **Rater Comments:**

6. Risk Assessment

Description: This criterion assesses the financial and operational risks associated with the project and the effectiveness of mitigation strategies. It ensures that the project is resilient to potential challenges.

- **Rating (1-10):**
 - **1-3:** High financial and operational risks with little mitigation.
 - *Example:* The project faces significant financial instability with no risk management plan.
 - **4-6:** Moderate risks with some mitigation strategies in place.

- *Example:* The project has identified risks with partial mitigation strategies, such as minimum assessed value (MAV) or clawbacks but remains somewhat vulnerable.
- **7+:** Low risks with comprehensive mitigation strategies in place.
 - *Example:* All potential risks are well-managed with robust mitigation plans. MAV, Pay-go subsidy, and construction timelines in place.
- **10:** The project has been thoroughly assessed with extensive risk mitigation strategies ensuring its stability.
 - *Example:* Detailed risk management plans are in place, addressing all foreseeable risks comprehensively.
- **Rater Comments:**

7. Job Creation

Description: This criterion evaluates the number and quality of jobs the project will create. Job creation is a key benefit of TIF projects, contributing to local employment and economic growth.

- **Rating (1-10):**
 - **1-3:** The project creates few or low-quality jobs.
 - *Example:* Only a small number of temporary or low-paying jobs are expected.
 - **4-6:** The project creates a moderate number of jobs with mixed quality.
 - *Example:* A fair number of jobs are sustained or created, but many are part-time or low-wage positions.
 - **7+:** The project creates or sustains a significant number of high-quality jobs.
 - *Example:* The development promises to sustain numerous well-paying, stable job opportunities, such as trades, manufacturing, etc.
 - **10:** The project creates a large number of high-quality jobs with strong career prospects and benefits.
 - *Example:* Detailed employment plans show significant, sustained job creation with excellent working conditions and benefits.
- **Rater Comments:**

8. Developer's Public Subsidy Needs

Description: This criterion assesses the justification for the developer's need for public subsidy. It is important to ensure that public funds are used effectively and that the subsidy is necessary for the project's success.

- **Rating (1-10):**
 - **1-3:** The need for public subsidy is poorly justified.
 - *Example:* The developer has not clearly demonstrated the necessity of the subsidy.
 - **4-6:** The need for subsidy is moderately justified with some analysis.
 - *Example:* There is some evidence supporting the subsidy need, but it lacks depth.
 - **7+:** The need for public subsidy is clearly justified with thorough analysis.
 - *Example:* Detailed market analysis and financial documentation strongly support the necessity of the subsidy.

- **10:** The subsidy need is exceptionally well-justified, with extensive analysis and community support.
 - *Example:* Multiple comprehensive studies and community endorsements back the need for the subsidy.

9. Assurances and Guarantees

Description: This criterion looks at the assurances and guarantees provided by the developer to ensure the project will proceed as planned. Strong guarantees are crucial for mitigating risks and ensuring project success.

- **Rating (1-10):**
 - **1-3:** Few or no assurances that the development will proceed as planned.
 - *Example:* The developer provides little commitment or guarantees.
 - **4-6:** Some assurances and moderate guarantees.
 - *Example:* The developer offers some commitments, but they are not comprehensive.
 - **7+:** Strong assurances and guarantees that the development will proceed as planned.
 - *Example:* The developer provides detailed minimum assessed value (MAV) commitments or similar and guarantees for project completion with clawbacks.
 - **10:** The developer provides extensive assurances and legally binding guarantees that the project will proceed as planned, including performance bonds or other financial instruments.
 - *Example:* The project includes detailed, legally binding guarantees and performance bonds or personal guarantees to ensure completion.
- **Rater Comments:**

10. Documentation and Compliance

Description: Proper documentation and adherence to statutory requirements are necessary throughout the process. This includes conducting public hearings, adopting resolutions, and obtaining approvals from the Planning Commission and Joint Review Board. Ensuring full compliance with legal and procedural requirements helps maintain transparency and legitimacy.

- **Rating (1-10):**
 - **1-3:** Documentation is incomplete and compliance with statutory requirements is poor.
 - *Example:* Key documents are missing, and statutory requirements are not fully met.
 - **4-6:** Documentation is somewhat complete and compliance is moderate.
 - *Example:* Most required documents are provided, but some areas need improvement.
 - **7+:** Documentation is complete and compliance with statutory requirements is excellent.
 - *Example:* All required documents are thorough and statutory requirements are fully met.
 - **10:** Documentation and compliance are exemplary, with detailed records and full adherence to all statutory requirements, including conducting public hearings, adopting resolutions, and obtaining approvals from all necessary bodies.

- *Example:* The project has comprehensive, well-organized documentation and has met all legal and procedural requirements without any issues.
- **Rater Comments:**

11. Local Business and Workforce Contribution

Description: A dedicated scoring category will be introduced to assess the percentage of local materials, labor, and subcontracting used in the project.

- **Rating (1-10):**
 - **1-3:** Minimal local contribution (e.g., out-of-town developers, workforce, and suppliers).
 - **4-6:** Some local engagement (e.g., hiring local labor or sourcing some materials locally).
 - **7-10:** Strong local impact (e.g., majority of materials, contractors, and jobs remain within the community).
 - *Example:* The project clearly prioritizing sourcing local materials, as they announced they would be purchasing their lumber from home lumber
- **Rater Comments:**

"But For" Test Evaluation Worksheet for the City of Whitewater and the CDA

This worksheet is designed to help the City of Whitewater and the Community Development Authority (CDA) evaluate whether a proposed development project meets the "but for" standard for Tax Increment Financing (TIF) in Wisconsin. Each criterion is rated on a scale of 1 to 10. The total possible score is 100 points.

Minimum Threshold

A project must score at least 80 points out of 110 to be considered meeting the "but for" standard.

Rater Information

- **Rater Name:** _____
- **Date:** _____
- **Department:** _____

Evaluation Criteria and Examples

Totals and Final Comments

- **Total Score:** _____ / 110
- **Overall Rating:** _____
- **Recommendation:** _____

Final Comments:

Use this worksheet to ensure a thorough and balanced evaluation of each TIF project. A total score of 80 or above indicates that the project meets the "but for" standard and is likely a good candidate for TIF support.

For more detailed guidelines and the statutory requirements, you can refer to the [Wisconsin Department of Revenue's TIF Manual](#) and their [TIF Information page](#).



CDA Agenda Item

Meeting Date:	April 17, 2025
Agenda Item:	Down Payment Assistance Loan Application
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

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

An application was submitted to the CDA requesting a down-payment assistance loan in the amount of \$25,000 pursuant to the terms and conditions of the City's Affordable Housing Fund Policy (DPA Application No. 2025-005). The DPA loan will be applied to the purchase of a single-family residence currently under construction at 675 Stonefield Lane at a purchase price of \$402,900 with an anticipated closing date of July 23, 2025. Thomas A. Hernandez and Jasmin L. Fernandez, husband and wife ("Borrowers") are contributing a down-payment of \$7,000 and will be living in the home as their primary residence.

Fort Community Credit Union (FCCU) is the primary lender offering a standard fixed-rate mortgage loan in the principal amount of \$377,900 amortized over 360 months. The proposed monthly mortgage payment is \$1,851.03. Closing agent for this transaction is FCCU at their Fort Atkinson office. All documentation required to support the requested loan has been received and reviewed by City Staff.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

FINANCIAL IMPACT

(If none, state N/A)

STAFF RECOMMENDATION

Staff recommends approval of Down Payment Assistance Loan No. 2025-005.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Copy of 2024 Real Estate Tax Bill (Tax Parcel No. 292-0515-3141-097).
- Promissory Note in the sum of \$25,000 to be executed at closing.
- Mortgage and Subordination Agreement to be executed at closing and recorded in the Jefferson County Register of Deeds Office.

KAREN DIETER, COMPTROLLER
PO BOX 690
WHITEWATER WI 53190-0690
www.whitewater-wi.gov
(262) 473-1382

2024 REAL ESTATE
PROPERTY TAX BILL
STATE OF WISCONSIN
JEFFERSON COUNTY
CITY OF WHITEWATER

PARK CREST OF WHITEWATER
Parcel #: 292-0515-3141-097
Bill Number: 99

Item 11. C

Important: See reverse side for important information.
Be sure this description covers your property. Note that this description is for property tax bill only and may not be a full legal description.
0.212 ACRES
Document No: 1486452
675 STONEFIELD LN
LOT 123, PARK CREST SUB.

PARK CREST OF WHITEWATER LLC
N27 W24025 PAUL CT STE 100
PEWAUKEE WI 53072

Please inform treasurer of address changes.

Assessed Value Land 100	Assessed Value Improvements	Total Assessed Value 100	Average Assessment Ratio 105.11%	Net Assessed Value .015064971
Est. Fair Market Land	Est. Fair Market Improvement	Total Est. Fair Market	School Taxes Reduced By School Levy Tax Credit 0.14	Rate (Does NOT reflect credit) A star in this box means unpaid prior year taxes
SEE REVERSE				
Taxing Jurisdiction	2023 Est. State Aids Allocated Tax Dist	2024 Est. State Aids Allocated Tax Dist	2023 Net Tax	2024 Net Tax %Tax Change
JEFFERSON COUNTY	53,430	58,851	0.33	0.28 -15.2
CITY OF WHITEWATER	532,877	550,818	0.67	0.61 -9.0
WHITEWATER SCH DIST	844,620	884,636	0.67	0.56 -16.4
MATC	69,509	73,150	0.07	0.06 -14.3
Total			1.74	1.51 -13.2
First Dollar Credit				0
Lottery & Gaming Credit				0
Net Property Tax			1.74	1.51 -13.2
FOR INFORMATIONAL PURPOSES ONLY - Voter Approved Temporary Tax Increase			TOTAL DUE FOR FULL PAYMENT	
Taxing Jurisdiction	Total Additional Taxes	Total Additional Taxes Applied to Property	Year Increase Ends	Pay by JANUARY 31, 2025 \$1.51
Whitewater School RF-4017	\$69,183	\$0.05	2037	
Whitewater School RF-5325	\$225,641	\$0.17	2025	
Make Check Payable to: CITY OF WHITEWATER KAREN DIETER, COMPTROLLER PO BOX 690 WHITEWATER WI 53190-0690				
After January 31, 2025 Make Check Payable to: JEFFERSON COUNTY TREASURER KELLY M. STADE 311 S. CENTER AVENUE JEFFERSON WI 53549-1701				Warning: If not paid by due dates, installment option is lost and total tax is delinquent and subject to interest and if applicable penalty. Failure to pay on time See Reverse.

REMIT THIS STUB WITH FULL PAYMENT

2024 REAL ESTATE Bill Number 99

Correspondence should refer to
Parcel # 292-0515-3141-097
CITY OF WHITEWATER

PARK CREST OF WHITEWATER LLC
N27 W24025 PAUL CT STE 100
PEWAUKEE WI 53072

To: CITY OF WHITEWATER
KAREN DIETER, COMPTROLLER
PO BOX 690
WHITEWATER WI 53190-0690

☐ FULL PAYMENT \$1.51 BY JANUARY 31, 2025

PROMISSORY NOTE

\$25,000

Date: _____

The undersigned, Thomas A. Hernandez and Jasmin L. Fernandez, husband and wife (the “Maker”), hereby jointly and severally promise to pay to the order of the Community Development Authority of the City of Whitewater (“Payee”) at 312 West Whitewater Street, Whitewater, WI 53190, or at such other place as Payee may from time to time designate in writing, the sum of Twenty-Five Thousand and no/100 Dollars (\$25,000).

This Promissory Note (“Note”) bears no interest on the unpaid balance before maturity. All unpaid principal outstanding under this Note shall be due and payable on the earlier of (i) Maker’s sale of the Property (as defined below) or (ii) the time at which the Property is no longer the Maker’s primary residence (the “Maturity Date”). The funds loaned to Maker by Payee pursuant to this Note shall be used solely for the purchase of the real property commonly known as 675 Stonefield Lane, City of Whitewater, Jeferson County, Wisconsin and legally described on Exhibit A attached hereto and incorporated herein (the “Property”).

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

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

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

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

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

Thomas L. Hernandez, Mortgagor

Jasmin A. Fernandez, Mortgagor

DRAFT

EXHIBIT ALegal Description of Property

Lot 123 in Park Crest Subdivision, being a redivision of all of the Northeast 1/4 of the Southeast 1/4 of Section 31, and part of the Northwest 1/4 of the Southwest 1/4 of Section 32, Township 5 North, Range 15 East, City of Whitewater, Jefferson County, State of Wisconsin.

(675 Stonefield Lane).

Approved by Wisconsin Real Estate Examining Board
 5-1-22(Optional Use Date) 7-1-22 (Mandatory Use Date)

Harbor Homes Inc

WB-44 COUNTER-OFFER

Counter-Offer No. 1 by (Buyer/Seller) **STRIKE ONE**

NOTE: Number this Counter-Offer sequentially, e.g. Counter-Offer No. 1 by Seller, Counter-Offer No. 2 by Buyer, etc.

The Offer to Purchase dated 03/12/2025 and signed by Buyer Thomas A. Hernandez, Jasmin L. Fernandez
 for purchase of real estate at 675 Stonefield Ln, Whitewater, WI
 is rejected and the following Counter-Offer is hereby made.

CAUTION: This Counter-Offer does not include the terms or conditions in any other counter-offer or multiple counter-proposal unless incorporated by reference.

All terms and conditions remain the same as stated in the Offer to Purchase except the following:

1) Per line 250 of Offer, '115' shall be removed and replaced with '125' days for
 Financing Commitment Contingency

2) Per line 312 of Offer, '110' shall be removed and replaced with '122' days for
 Appraisal Contingency

3) Per lines 549-553 of Offer, this down payment grant contingency shall be within 40 days
 of acceptance

The attached _____ is/are made part of this Counter-Offer.
 Any warranties, covenants and representations made in this Counter-Offer survive the closing of this transaction.
 This Counter-Offer is binding upon Seller and Buyer only if a copy of the accepted Counter-Offer is delivered to the Party
 making the Counter-Offer on or before March 14, 2025 (Time is of
 the Essence). Delivery of the accepted Counter-Offer may be made in any manner specified in the Offer to Purchase,
 unless otherwise provided in this Counter-Offer.

**NOTE: The Party making this Counter-Offer may withdraw the Counter-Offer prior to acceptance and delivery as
 provided at lines 30-32.**

This Counter-Offer was drafted by Kami Eberle, Harbor Homes Inc. on 03/13/2025

Thomas A. Hernandez Licensee and Firm DocuSigned by: Date 3/13/2025

(x) 03/13/25 Date 3/13/2025

Buyer's Signature Thomas A. Hernandez Seller's Signature Corey Gerth Date 3/13/2025

Print name Thomas A. Hernandez Print name Harbor Homes Inc. Corey Gerth its agent

(x) 03/13/25 Date 3/13/2025

Buyer's Signature Jasmin L. Fernandez Seller's Signature Corey Gerth Date 3/13/2025

Print name Jasmin L. Fernandez Print name Harbor Homes Inc. Corey Gerth its agent

This Counter-Offer was presented by Sarah Gabrielse Devout Real Estate LLC on _____

Licensee and Firm ▲ Date ▲

This Counter-Offer is (rejected) (countered) **STRIKE ONE** (Party's Initials) _____

**NOTE: Provisions from a previous Counter-Offer may be included by reproduction of the entire provision or
 incorporation by reference. Provisions incorporated by reference may be indicated in the subsequent Counter-
 Offer by specifying the number of the provision or the lines containing the provision. In transactions involving
 more than one Counter-Offer, the Counter-Offer referred to should be clearly specified.**

Approved by the Wisconsin Real Estate Examining Board
7-1-24 (Optional Use Date) 8-15-24 (Mandatory Use Date)

Devout Real Estate Group, LLC
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WB-11 RESIDENTIAL OFFER TO PURCHASE

1 **LICENSEE DRAFTING THIS OFFER ON** March 12, 2025 **[DATE] IS (AGENT OF BUYER)**
2 **(AGENT OF SELLER/LISTING FIRM) (AGENT OF BUYER AND SELLER) [STRIKE THOSE NOT APPLICABLE]**

3 The Buyer, Thomas A. Hernandez, Jasmin L. Fernandez
4 offers to purchase the Property known as [Street Address] 675 Stonefield Lane

5
6 in the Jefferson City of Whitewater, County
7 of Jefferson Wisconsin (insert additional description, if any, at lines 548-570 or
8 in an addendum per line 592), on the following terms:

9 **[PURCHASE PRICE]** The purchase price is Four Hundred Two Thousand, Nine Hundred
10 Dollars (\$402,900.00).

11 **[INCLUDED IN PURCHASE PRICE]** Included in purchase price is the Property, all Fixtures on the Property as of the date
12 stated on line 1 of this Offer (unless excluded at lines 20-23), and the following additional items: SS dishwasher, SS
13 microwave, one-year builder warranty, concrete driveway and approach, service walk to the
14 front door and 14' x 14' concrete patio as shown on the attached survey.

15
16
17 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included**
18 **or not included.**

19 **[NOT INCLUDED IN PURCHASE PRICE]** Not included in purchase price is Seller's personal property (unless included at
20 lines 12-16) and the following:

21
22
23

24 **CAUTION: Identify Fixtures that are on the Property (see lines 26-36) to be excluded by Seller or that are rented**
25 **(e.g., water softeners or other water treatment systems, LP tanks, etc.) and will continue to be owned by the lessor.**
26 "Fixture" is defined as an item of property which is physically attached to or so closely associated with land, buildings or
27 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily
28 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as
29 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows;
30 electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units
31 and attached equipment; water heaters, water softeners and treatment systems; sump pumps; attached or fitted floor
32 coverings; awnings; attached antennas and satellite dishes (but not the component parts); audio/visual wall mounting
33 brackets (but not the audio/visual equipment); garage door openers and remote controls; installed security systems; central
34 vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans;
35 fences; in-ground pet containment systems, including receiver components; storage buildings on permanent foundations
36 and docks/piers on permanent foundations.

37 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softeners or other water**
38 **treatment systems, LP tanks, etc.) on lines 20-23 or at lines 548-570 or in an addendum per line 592).**

39 **[BINDING ACCEPTANCE]** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer
40 on or before March 14, 2025. Seller may keep the
41 Property on the market and accept secondary offers after binding acceptance of this Offer.

42 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

43 **[ACCEPTANCE]** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical
44 copies of the Offer.

45 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term**
46 **Deadlines running from acceptance provide adequate time for both binding acceptance and performance.**

47 **[CLOSING]** This transaction is to be closed on July 23, 2025
48 at the place selected by Seller,
49 unless otherwise agreed by the Parties in writing. If the date for closing falls on Saturday, Sunday, or a federal or a state
50 holiday, the closing date shall be the next Business Day.

51 **CAUTION: To reduce the risk of wire transfer fraud, any wiring instructions received should be independently**
52 **verified by phone or in person with the title company, financial institution, or entity directing the transfer. The real**
53 **estate licensees in this transaction are not responsible for the transmission or forwarding of any wiring or money**
54 **transfer instructions.**

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55 **EARNEST MONEY**

56 ■ EARNEST MONEY of \$ _____ accompanies this Offer.

57 If Offer was drafted by a licensee, receipt of the earnest money accompanying this Offer is acknowledged.

58 ■ EARNEST MONEY of \$ 1,500.00 will be mailed, or commercially, electronically
59 or personally delivered within 5 days ("5" if left blank) after acceptance.

60 All earnest money shall be delivered to and held by (listing Firm) (~~drafting Firm~~) (other identified as

61 _____) **STRIKE THOSE NOT APPLICABLE**

62 (listing Firm if none chosen; if no listing Firm, then drafting Firm; if no Firm then Seller).

63 **CAUTION: If a Firm does not hold earnest money, an escrow agreement should be drafted by the Parties or an**
64 **attorney as lines 67-87 do not apply. If someone other than Buyer pays earnest money, consider a special**
65 **disbursement agreement.**

66 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise agreed in writing.

67 ■ **DISBURSEMENT IF EARNEST MONEY HELD BY A FIRM:** If negotiations do not result in an accepted offer and the
68 earnest money is held by a Firm, the earnest money shall be promptly disbursed (after clearance from payer's depository
69 institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall
70 be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according
71 to a written disbursement agreement signed by all Parties to this Offer. If said disbursement agreement has not been
72 delivered to the Firm holding the earnest money within 60 days after the date set for closing, that Firm may disburse the
73 earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
74 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; (4)
75 upon authorization granted within this Offer; or (5) any other disbursement required or allowed by law. The Firm may retain
76 legal services to direct disbursement per (1) or to file an interpleader action per (2) and the Firm may deduct from the
77 earnest money any costs and reasonable attorneys' fees, not to exceed \$250, prior to disbursement.

78 ■ **LEGAL RIGHTS/ACTION:** The Firm's disbursement of earnest money does not determine the legal rights of the Parties
79 in relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by the Firm holding the earnest
80 money. At least 30 days prior to disbursement per (1), (4) or (5) above, where the Firm has knowledge that either Party
81 disagrees with the disbursement, the Firm shall send Buyer and Seller written notice of the intent to disburse by certified
82 mail. If Buyer or Seller disagrees with the Firm's proposed disbursement, a lawsuit may be filed to obtain a court order
83 regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of
84 residential property with one-to-four dwelling units. Buyer and Seller should consider consulting attorneys regarding their
85 legal rights under this Offer in case of a dispute. Both Parties agree to hold the Firm harmless from any liability for good
86 faith disbursement of earnest money in accordance with this Offer or applicable Department of Safety and Professional
87 Services regulations concerning earnest money. See Wis. Admin. Code Ch. REEB 18.

88 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
89 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in
90 this Offer except:

91 _____ . If "Time is of the Essence" applies to a date or Deadline,
92 failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to a date
93 or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

94 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property that includes one-to-four dwelling units
95 to provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never
96 been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example,
97 personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03.
98 The law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance
99 of the contract of sale . . . , to the prospective Buyer of the property a completed copy of the report . . . A prospective Buyer
100 who does not receive a report within the 10 days may, within two business days after the end of that 10-day period, rescind
101 the contract of sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have
102 certain rescission rights if a Real Estate Condition Report disclosing defects is furnished before expiration of the 10 days,
103 but after the Offer is submitted to Seller. Buyer should review the report form or consult with an attorney for additional
104 information regarding rescission rights.

105 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has
106 no notice or knowledge of Conditions Affecting the Property or Transaction (lines 112-177) other than those identified in
107 Seller's Real Estate Condition Report dated _____, which was received by Buyer prior to Buyer signing
108 this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and

109 _____
110 _____
111 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

112 "Conditions Affecting the Property or Transaction" are defined to include:

113 a. Defects in the roof, basement or foundation (including cracks, seepage and bulges), electrical system, or part of the
114 plumbing system (including the water heater, water softener and swimming pool); or basement, window, or plumbing leaks;

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- 115 overflow from sinks, bathtubs, or sewers; or other water or moisture intrusions or conditions.
- 116 b. Defects in heating and air conditioning system (including the air filters and humidifiers); in a wood burning stove or
- 117 fireplace; or caused by a fire in a stove or fireplace or elsewhere on the Property.
- 118 c. Defects related to smoke detectors or carbon monoxide detectors, or a violation of applicable state or local smoke
- 119 detector or carbon monoxide detector laws.
- 120 d. Defects in any structure, or mechanical equipment included as Fixtures or personal property.
- 121 e. Rented items located on the Property such as a water softener or other water conditioner system.
- 122 f. Defects caused by unsafe concentrations of, or unsafe conditions on the Property relating to radon, radium in water
- 123 supplies, lead in paint, soil or water supplies, unsafe levels of mold, asbestos or asbestos-containing materials or other
- 124 potentially hazardous or toxic substances on the Property; manufacture of methamphetamine or other hazardous or toxic
- 125 substances on the Property; or high voltage electric (100 KV or greater) or steel natural gas transmission lines located on
- 126 but not directly serving the Property.
- 127 **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential**
- 128 **properties built before 1978.**
- 129 g. Defects caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic
- 130 substances on neighboring properties.
- 131 h. Property is served by a joint well; Defects related to a joint well serving the Property; or Defects in a well on the
- 132 Property or in a well that serves the Property, including unsafe well water.
- 133 i. A septic system or other private sanitary disposal system serves the Property; Defects in the septic system or other
- 134 sanitary disposal system on the Property; or any out-of-service septic system serving the Property not closed or abandoned
- 135 according to applicable regulations.
- 136 j. Underground or aboveground fuel storage tanks on or previously located on the Property; or Defects in the underground
- 137 or aboveground fuel storage tanks on or previously located on the Property. (The owner, by law, may have to register the
- 138 tanks with the Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708,
- 139 whether the tanks are in use or not. Department regulations may require closure or removal of unused tanks.)
- 140 k. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased); or Defects in an
- 141 "LP" tank on the Property.
- 142 l. Notice of property tax increases, other than normal annual increases, or pending Property reassessment; remodeling
- 143 that may increase the Property's assessed value; pending special assessments; or Property is within a special purpose
- 144 district, such as a drainage district, that has authority to impose assessments.
- 145 m. Proposed construction of a public project that may affect use of the Property; Property additions or remodeling affecting
- 146 Property structure or mechanical systems during Seller's ownership without required permits; or any land division involving
- 147 the Property without required state or local permits.
- 148 n. The Property is part of or subject to a subdivision homeowners' association; or the Property is not a condominium unit
- 149 and there are common areas associated with the Property that are co-owned with others.
- 150 o. Any zoning code violations with respect to the Property; the Property or any portion thereof is located in a floodplain,
- 151 wetland or shoreland zoning area; or the Property is subject to a shoreland mitigation plan required by Wisconsin
- 152 Department of Natural Resources (DNR) rules that obligates the Property owner to establish or maintain certain measures
- 153 related to shoreland conditions, enforceable by the county.
- 154 p. Nonconforming uses of the Property; conservation easements, restrictive covenants or deed restrictions on the
- 155 Property; or, other than public rights of way, nonowners having rights to use part of the Property, including, but not limited
- 156 to, private rights-of-way and easements other than recorded utility easements.
- 157 q. All or part of the Property has been assessed as agricultural land; has been assessed a use-value assessment
- 158 conversion charge; or payment of a use-value assessment conversion charge has been deferred.
- 159 r. All or part of the Property is subject to, enrolled in, or in violation of a farmland preservation agreement, Forest Crop
- 160 Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program.
- 161 s. A dam is totally or partially located on the Property; or an ownership interest in a dam not located on the Property will
- 162 be transferred with the Property because the dam is owned by a homeowners' association, lake district, or similar group of
- 163 which the Property owner is a member.
- 164 t. No legal access to the Property; or boundary or lot line disputes, encroachments or encumbrances (including a joint
- 165 driveway) affecting the Property.
- 166 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition; or any insurance
- 167 claims relating to damage to the Property within the last five years.
- 168 v. A pier attached to the Property not in compliance with state or local pier regulations; a written agreement affecting
- 169 riparian rights related to the Property; or the bed of the abutting navigable waterway is owned by a hydroelectric operator.
- 170 w. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal, reptile, or
- 171 other insect infestations.
- 172 x. Structure on the Property designated as an historic building; all or any part of the Property in an historic district; or one
- 173 or more burial sites on the Property.
- 174 y. Agreements binding subsequent owners such as a lease agreement or extension of credit from an electric cooperative.
- 175 z. Owner is a foreign person as defined in the Foreign Investment in Real Property Tax Act in 26 IRC § 1445(f).

176 aa. Other Defects affecting the Property, including, without limitation, drainage easement or grading problems; or
 177 excessive sliding, settling, earth movement or upheavals.

178 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a
 179 part of this Offer. An "inspection" is defined as an observation of the Property, which does not include an appraisal or testing
 180 of the Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel
 181 source, which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or
 182 building materials from the Property for laboratory or other analysis of these materials. Seller agrees to allow Buyer's
 183 inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary, to satisfy the
 184 contingencies in this Offer. Buyer or licensees or both may be present at all inspections and testing. Except as otherwise
 185 provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

186 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of**
 187 **the test (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any**
 188 **other material terms of the contingency.**

189 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
 190 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to
 191 Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to
 192 be reported to the Wisconsin Department of Natural Resources.

193 ☐ **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 178-192).

194 (1) This Offer is contingent upon a Wisconsin registered or Wisconsin licensed home inspector performing a home inspection
 195 of the Property after the date on line 1 of this Offer that discloses no Defects.

196 (2) This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing an
 197 inspection of _____

198 _____ (list any Property component(s)
 199 to be separately inspected, e.g., swimming pool, roof, foundation, chimney, etc.) which discloses no Defects.

200 (3) Buyer may have follow-up inspections recommended in a written report resulting from an authorized inspection, provided
 201 they occur prior to the Deadline specified at line 206. Inspection(s) shall be performed by a qualified independent
 202 inspector or independent qualified third party.

203 Buyer shall order the inspection(s) and be responsible for all costs of inspection(s).

204 **CAUTION: Buyer should provide sufficient time for the home inspection and/or any specialized inspection(s), as**
 205 **well as any follow-up inspection(s).**

206 This contingency shall be deemed satisfied unless Buyer, within _____ days ("15" if left blank) after acceptance, delivers
 207 to Seller a copy of the written inspection report(s) dated after the date on line 1 of this Offer and a written notice listing the
 208 Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

209 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

210 For the purposes of this contingency, Defects do not include structural, mechanical or other conditions the nature and extent
 211 of which Buyer had actual knowledge or written notice before signing this Offer.

212 **NOTE: "Defect" as defined on lines 445-447 means a condition that would have a significant adverse effect on the**
 213 **value of the Property; that would significantly impair the health or safety of future occupants of the Property; or**
 214 **that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life**
 215 **of the premises.**

216 ☒ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have the right to cure the Defects.
 217 If Seller has the right to cure, Seller may satisfy this contingency by:

218 (1) delivering written notice to Buyer within _____ ("10" if left blank) days after Buyer's delivery of the Notice of Defects
 219 stating Seller's election to cure Defects;

220 (2) curing the Defects in a good and workmanlike manner; and

221 (3) delivering to Buyer a written report detailing the work done no later than three days prior to closing.

222 This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and:

223 (1) Seller does not have the right to cure; or

224 (2) Seller has the right to cure but:

225 (a) Seller delivers written notice that Seller will not cure; or

226 (b) Seller does not timely deliver the written notice of election to cure.

227 ☐ **RADON TESTING CONTINGENCY:** This Offer is contingent upon Buyer obtaining a current written report of the
 228 results of a radon test at the Property performed by a qualified third party in a manner consistent with applicable
 229 Environmental Protection Agency (EPA) and Wisconsin Department of Health Services (DHS) protocols and standards
 230 indicating an EPA average radon level of less than 4.0 picoCuries per liter (pCi/L), at (Buyer's) (Seller's) **STRIKE ONE**
 231 ("Buyer's" if neither is stricken) expense.

232 This contingency shall be deemed satisfied unless Buyer, within _____ days ("20" if left blank) after acceptance delivers
 233 to Seller a written copy of the radon test results indicating a radon level of 4.0 pCi/L or higher and written notice objecting to
 234 the radon level in the report.

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235 ■ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have the right to cure.

236 If Seller has the right to cure, Seller may satisfy this contingency by:

- 237 (1) delivering a written notice of Seller's election to cure within 10 days after delivery of Buyer's notice; and,
238 (2) installing a radon mitigation system in conformance with EPA standards in a good and workmanlike manner and by
239 giving Buyer a report of the work done and a post remediation test report indicating a radon level of less than 4.0 pCi/L
240 no later than three days prior to closing.

241 This Offer shall be null and void if Buyer timely delivers the above written notice and report to Seller and:

- 242 (1) Seller does not have the right to cure; or
243 (2) Seller has the right to cure but:
244 (a) Seller delivers written notice that Seller will not cure; or
245 (b) Seller does not timely deliver the notice of election to cure.

246 **NOTE:** For radon information refer to the EPA at epa.gov/radon or the DHS at dhs.wisconsin.gov/radon.

247 **IF LINE 248 IS NOT MARKED OR IS MARKED N/A LINES 296-307 APPLY.**

248 ☒ **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written
249 conventional [loan type or specific lender, if any] first mortgage loan commitment as described
250 below, within 115 days after acceptance of this Offer. The financing selected shall be in an amount of not less than
251 \$ 377,900.00 for a term of not less than 30 years, amortized over not less than 30 years. Initial
252 monthly payments of principal and interest shall not exceed \$ 2,514.00. Buyer acknowledges that lender's
253 required monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance
254 premiums, and private mortgage insurance premiums. The mortgage shall not include a prepayment premium. Buyer agrees
255 to pay discount points in an amount not to exceed _____ % ("0" if left blank) of the loan. If Buyer is using multiple loan
256 sources or obtaining a construction loan or land contract financing, describe at lines 548-570 or in an addendum attached
257 per line 592. Buyer agrees to pay all customary loan and closing costs, wire fees, and loan origination fees, to promptly
258 apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. Seller agrees to allow
259 lender's appraiser access to the Property.

260 ■ **LOAN AMOUNT ADJUSTMENT:** If the purchase price under this Offer is modified, any financed amount, unless otherwise
261 provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments
262 shall be adjusted as necessary to maintain the term and amortization stated above.

263 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 264 or 265.**

264 ☒ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed 7.000 %.
265 ☐ **ADJUSTABLE RATE FINANCING:** The initial interest rate shall not exceed _____ %. The initial interest rate
266 shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % ("2" if
267 left blank) at the first adjustment and by not more than _____ % ("1" if left blank) at each subsequent adjustment.
268 The maximum interest rate during the mortgage term shall not exceed the initial interest rate plus _____ % ("6" if
269 left blank). Monthly payments of principal and interest may be adjusted to reflect interest changes.

270 ■ **SATISFACTION OF FINANCING COMMITMENT CONTINGENCY:** If Buyer qualifies for the loan described in this Offer
271 or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of a written loan commitment.

272 This contingency shall be satisfied if, after Buyer's review, Buyer delivers to Seller a copy of a written loan commitment
273 (even if subject to conditions) that is:

- 274 (1) signed by Buyer; or
275 (2) accompanied by Buyer's written direction for delivery.

276 Delivery of a loan commitment by Buyer's lender or delivery accompanied by a notice of unacceptability shall not satisfy
277 this contingency.

278 **CAUTION: The delivered loan commitment may contain conditions Buyer must yet satisfy to obligate the lender to
279 provide the loan. Buyer understands delivery of a loan commitment removes the Financing Commitment
280 Contingency from the Offer and shifts the risk to Buyer if the loan is not funded.**

281 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not deliver a loan commitment on or before the Deadline on line 250.
282 Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of
283 written loan commitment from Buyer.

284 ■ **FINANCING COMMITMENT UNAVAILABILITY:** If a financing commitment is not available on the terms stated in this
285 Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall
286 promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of
287 unavailability.

288 ☐ **SELLER FINANCING:** Seller shall have 10 days after the earlier of:

- 289 (1) Buyer delivery of written notice of evidence of unavailability as noted in lines 284-287; or
290 (2) the Deadline for delivery of the loan commitment set on line 250
291 to deliver to Buyer written notice of Seller's decision to finance this transaction with a note and mortgage under the same
292 terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly.
293 If Seller's notice is not timely given, the option for Seller to provide financing shall be considered waived. Buyer agrees to
294 cooperate with and authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit
295 worthiness for Seller financing.

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296 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING COMMITMENT** Within _____ days ("7" if left blank) after
297 acceptance, Buyer shall deliver to Seller either:

298 (1) reasonable written verification from a financial institution or third party in control of Buyer's funds that Buyer has, at
299 the time of verification, sufficient funds to close; or

300 (2) _____
301 _____ [Specify documentation Buyer agrees to deliver to Seller].

302 If such written verification or documentation is not delivered, Seller has the right to terminate this Offer by delivering written
303 notice to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written verification. Buyer may or may not obtain
304 mortgage financing but does not need the protection of a financing commitment contingency. Seller agrees to allow Buyer's
305 appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that this Offer is not subject
306 to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency, nor does the right of
307 access for an appraisal constitute a financing commitment contingency.

308 ☒ **APPRAISAL CONTINGENCY:** This Offer is contingent upon Buyer or Buyer's lender having the Property appraised
309 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated
310 subsequent to the date stated on line 1 of this Offer, indicating an appraised value for the Property equal to or greater than
311 the agreed upon purchase price.

312 This contingency shall be deemed satisfied unless Buyer, within 110 days after acceptance, delivers to Seller a copy
313 of the appraisal report indicating an appraised value less than the agreed upon purchase price, and a written notice objecting
314 to the appraised value.

315 ☐ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have the right to cure.

316 If Seller has the right to cure, Seller may satisfy this contingency by delivering written notice to Buyer adjusting the purchase
317 price to the value shown on the appraisal report within _____ days ("5" if left blank) after Buyer's delivery of the appraisal
318 report and the notice objecting to the appraised value. Seller and Buyer agree to promptly execute an amendment initiated
319 by either Party after delivery of Seller's notice, solely to reflect the adjusted purchase price.

320 This Offer shall be null and void if Buyer makes timely delivery of the notice objecting to appraised value and the written
321 appraisal report and:

322 (1) Seller does not have the right to cure; or

323 (2) Seller has the right to cure but:

324 (a) Seller delivers written notice that Seller will not adjust the purchase price; or

325 (b) Seller does not timely deliver the written notice adjusting the purchase price to the value shown on the appraisal
326 report.

327 **NOTE: An executed FHA, VA or USDA Amendatory clause may supersede this contingency.**

328 ☐ **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of
329 Buyer's property located at _____
330 no later than _____ (the Deadline). If closing does not occur by the Deadline, this

331 Offer shall become null and void unless Buyer delivers to Seller, on or before the Deadline, reasonable written verification
332 from a financial institution or third party in control of Buyer's funds that Buyer has, at the time of verification, sufficient funds
333 to close or proof of bridge loan financing, along with a written notice waiving this contingency. Delivery of verification or
334 proof of bridge loan shall not extend the closing date for this Offer.

335 ☐ **BUMP CLAUSE:** If Seller accepts a bona fide secondary offer, Seller may give written notice to Buyer that another
336 offer has been accepted. If Buyer does not deliver to Seller the documentation listed below within _____ hours ("72" if
337 left blank) after Buyer's Actual Receipt of said notice, this Offer shall be null and void. Buyer must deliver the following:

338 (1) Written waiver of the Closing of Buyer's Property Contingency if line 328 is marked;

339 (2) Written waiver of _____
340 _____ (name other contingencies, if any); and

341 (3) Any of the following checked below:

342 ☐ Proof of bridge loan financing.

343 ☐ Proof of ability to close from a financial institution or third party in control of Buyer's funds which shall provide
344 Seller with reasonable written verification that Buyer has, at the time of verification, sufficient funds to close.

345 Other: _____
346 _____

347 [insert other requirements, if any (e.g., payment of additional earnest money, etc.)]

348 ☐ **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon
349 delivery of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer
350 notice prior to any Deadline, nor is any particular secondary buyer given the right to be made primary ahead of other
351 secondary buyers. Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to
352 delivery of Seller's notice that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than _____ days ("7"
353 if left blank) after acceptance of this Offer. All other Offer Deadlines that run from acceptance shall run from the time this
354 Offer becomes primary.

355 **HOMEOWNERS ASSOCIATION** If this Property is subject to a homeowners association, Buyer is aware the Property may
356 be subject to periodic association fees after closing and one-time fees resulting from transfer of the Property. Any one-time

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fees resulting from transfer of the Property shall be paid at closing by (Seller) (Buyer) **STRIKE ONE** ("Buyer" if neither is stricken).

CLOSING PRORATIONS The following items, if applicable, shall be prorated at closing, based upon date of closing values: real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners or homeowners association assessments, fuel and _____

CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.

Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

Real estate taxes shall be prorated at closing based on **CHECK BOX FOR APPLICABLE PRORATION FORMULA**:

☐ The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes are defined as general property taxes after state tax credits and lottery credits are deducted). NOTE: THIS CHOICE APPLIES IF NO BOX IS CHECKED.

☐ Current assessment times current mill rate (current means as of the date of closing).

☐ Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior year, or current year if known, multiplied by current mill rate (current means as of the date of closing).

CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be substantially different than the amount used for proration especially in transactions involving new construction, extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor regarding possible tax changes.

☒ Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate Firms in this transaction.

TITLE EVIDENCE

CONVEYANCE OF TITLE: Upon payment of the purchase price, Seller shall convey the Property by warranty deed (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate Condition Report and in this Offer, general taxes levied in the year of closing and _____

(insert other allowable exceptions from title, if any)
that constitutes merchantable title for purposes of this transaction. Seller, at Seller's cost, shall complete and execute the documents necessary to record the conveyance and pay the Wisconsin Real Estate Transfer Fee.

WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making improvements to Property or a use other than the current use.

TITLE EVIDENCE: Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all costs of providing title evidence to Buyer. Buyer shall pay the costs of providing the title evidence required by Buyer's lender and recording the deed or other conveyance.

GAP ENDORSEMENT: Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's) **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the commitment date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy conditions, exclusions and exceptions, provided the title company will issue the coverage. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 410-405 415).

DELIVERY OF MERCHANTABLE TITLE: The required title insurance commitment shall be delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 383-391, subject only to liens that will be paid out of the proceeds of closing and standard title insurance requirements and exceptions.

TITLE NOT ACCEPTABLE FOR CLOSING: If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by the time set for closing. Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and the time for closing shall be extended as necessary for this purpose. If Seller is unable to remove said objections, Buyer shall have five days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

SPECIAL ASSESSMENTS/OTHER EXPENSES: Special assessments, if any, levied or for work actually commenced prior to the date stated on line 1 of this Offer shall be paid by Seller no later than closing. All other special assessments

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418 shall be paid by Buyer. "Levied" means the local municipal governing body has adopted and published a final resolution
419 describing the planned improvements and the assessment of benefits.

420 **CAUTION: Consider a special agreement if area assessments, property owners association assessments, special**
421 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**
422 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**
423 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**
424 **sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact**
425 **fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

426 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
427 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
428 (written) (oral) **STRIKE ONE** lease(s), if any, are _____

429 _____
430 _____. Insert additional terms, if any, at lines 548-570 or attach as an addendum per line 592.

431 **DEFINITIONS**

432 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document
433 or written notice physically in the Party's possession, regardless of the method of delivery. If the document or written notice
434 is electronically delivered, Actual Receipt shall occur when the Party opens the electronic transmission.

435 ■ **BUSINESS DAY:** "Business Day" means a calendar day other than Saturday, Sunday, any legal public holiday under
436 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
437 registered mail or make regular deliveries on that day.

438 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by
439 excluding the day the event occurred and by counting subsequent calendar days. The Deadline expires at Midnight on the
440 last day. Additionally, Deadlines expressed as a specific number of Business Days are calculated in the same manner
441 except that only Business Days are counted while other days are excluded. Deadlines expressed as a specific number of
442 "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by
443 counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific
444 event, such as closing, expire at Midnight of that day. "Midnight" is defined as 11:59 p.m. Central Time.

445 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
446 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
447 significantly shorten or adversely affect the expected normal life of the premises.

448 ■ **FIRM:** "Firm" means a licensed sole proprietor broker or a licensed broker business entity.

449 ■ **PARTY:** "Party" means the Buyer or the Seller; "Parties" refers to both Buyer and Seller.

450 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-8.

451 **INCLUSION OF OPTIONAL PROVISIONS** Terms of this Offer that are preceded by an OPEN BOX (☐) are part of
452 this offer ONLY if the box is marked such as with an "X". They are not part of this offer if marked "N/A" or are left blank.

453 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total
454 acreage or building square footage figures, provided to Buyer by Seller or by a Firm or its agents, may be approximate
455 because of rounding, formulas used or other reasons, unless verified by survey or other means.

456 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land,**
457 **building or room dimensions, if material.**

458 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of
459 the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the
460 transaction as defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession
461 data to multiple listing service sold databases; (iii) provide active listing, pending sale, closed sale and financing concession
462 information and data, and related information regarding seller contributions, incentives or assistance, and third party gifts,
463 to appraisers researching comparable sales, market conditions and listings, upon inquiry; and (iv) distribute copies of this
464 Offer to the seller, or seller's agent, of another property that Seller intends on purchasing.

465 **MAINTENANCE** Seller shall maintain the Property and all personal property included in the purchase price until the earlier
466 of closing or Buyer's occupancy, in materially the same condition it was in as of the date on line 1 of this Offer, except for
467 ordinary wear and tear and changes agreed upon by Parties.

468 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** If, prior to closing, the Property is damaged in an
469 amount not more than five percent of the purchase price, other than normal wear and tear, Seller shall promptly notify Buyer
470 in writing, and will be obligated to restore the Property to materially the same condition it was in as of the date on line 1 of
471 this Offer. Seller shall provide Buyer with copies of all required permits and lien waivers for the lienable repairs no later than
472 closing. If the amount of damage exceeds five percent of the purchase price, Seller shall promptly notify Buyer in writing of
473 the damage and this Offer may be terminated at option of Buyer. Should Buyer elect to carry out this Offer despite such
474 damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Property, plus a credit
475 towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if this sale is financed
476 by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring

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109

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536 deliver to Buyer, at closing, the additional funds necessary to satisfy the applicable withholding requirement. Seller also
537 shall pay to Buyer an amount not to exceed \$1,000 for actual costs associated with the filing and administration of forms,
538 affidavits, and certificates necessary for FIRPTA withholding and any withholding agent fees.

539 **Any representations made by Seller with respect to FIRPTA shall survive the closing and delivery of the deed.**

540 Firms, Agents, and Title Companies are not responsible for determining FIRPTA status or whether any FIRPTA exemption
541 applies. The Parties are advised to consult with their respective independent legal counsel and tax advisors regarding
542 FIRPTA.

543 ☒ **SELLER PAYMENT OF COMPENSATION TO BUYER'S FIRM:** Seller agrees to pay to Buyer's Firm the amount of
544 2% (e.g., dollar amount, % of purchase price, etc.), toward Buyer's brokerage
545 fees at closing. Payment made under this provision represents an economic adjustment only and does not create any
546 agency relationship between Buyer's Firm and Seller, and the Parties agree Buyer's Firm is a direct and intended third party
547 beneficiary of this contract.

548 **ADDITIONAL PROVISIONS/CONTINGENCIES**

549 This Offer is contingent upon Buyer securing final approval of a \$25,000 down payment
550 grant from the City of Whitewater within 60 days of acceptance. If the grant is denied or
551 not approved within this period, Buyer may terminate the Offer, and all earnest money
552 shall be returned.

553 _____
554 _____
555 All other terms remain in effect.

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571 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and
572 written notices to a Party shall be effective only when accomplished by one of the authorized methods specified at lines
573 574-589.

574 (1) **Personal:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at
575 line 576 or 577.

576 Name of Seller's recipient for delivery, if any: Kami Eberle

577 Name of Buyer's recipient for delivery, if any: Sarah Gabrielse

578 ☐ (2) **Fax:** fax transmission of the document or written notice to the following number:

579 Seller: (_____) Buyer: (_____) _____

580 ☐ (3) **Commercial:** depositing the document or written notice, fees prepaid or charged to an account, with a
581 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's
582 address at line 585 or 586.

583 ☐ (4) **U.S. Mail:** depositing the document or written notice, postage prepaid, in the U.S. Mail, addressed either to the
584 Party, or to the Party's recipient for delivery, for delivery to the Party's address.

585 Address for Seller: _____

586 Address for Buyer: _____

587 ☒ (5) **Email:** electronically transmitting the document or written notice to the email address.

588 Email Address for Seller: keberle@harborhomeswi.com

589 Email Address for Buyer: sarahg@devoutrealestate.com

590 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller
591 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

592 ☒ **ADDENDA:** The attached AD S (Park Crest), Dover Park Crest Survey is/are made part of this Offer.

593 This Offer was drafted by [Licensee and Firm] Sarah Gabrielse Devout Real Estate LLC

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WIRE FRAUD WARNING! Wire Fraud is a real and serious risk. Never trust wiring instructions sent via email. Funds wired to a fraudulent account are often impossible to recover.

Criminals are hacking emails and sending fake wiring instructions by impersonating a real estate agent, Firm, lender, title company, attorney or other source connected to your transaction. These communications are convincing and professional in appearance but are created to steal your money. The fake wiring instructions may even be mistakenly forwarded to you by a legitimate source.

DO NOT initiate ANY wire transfer until you confirm wiring instructions IN PERSON or by YOU calling a verified number of the entity involved in the transfer of funds. Never use contact information provided by any suspicious communication.

Real estate agents and Firms ARE NOT responsible for the transmission, forwarding, or verification of any wiring or money transfer instructions.

03/12/2025

606 (x) Thomas A. Hernandez
607 Buyer's Signature ▲ Print Name Here ▶ Thomas A. Hernandez

Date ▲

608 (x) Jasmin L. Fernandez
609 Buyer's Signature ▲ Print Name Here ▶ Jasmin L. Fernandez

03/12/2025

Date ▲

610 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS**
611 **OFFER SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE**
612 **PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A**
613 **COPY OF THIS OFFER.**

614 (x) _____
615 Seller's Signature ▲ Print Name Here ▶ Date ▲

616 (x) _____
617 Seller's Signature ▲ Print Name Here ▶ Date ▲

618 This Offer was presented to Seller by [Licensee and Firm] Kami Eberle, Harbor Homes Inc.

619 _____ on 3/12/2025 at DS 3/13/2025 a.m./p.m.

620 This Offer is rejected _____ This Offer is countered [See attached counter] _____
621 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

HARBOR HOMES, INC. ADDENDUM S (Park Crest)

This Addendum is made part of the Residential Offer to Purchase dated **March 12, 2025** (the "Offer") between Harbor Homes, Inc. (the "Seller") and **Jasmin Fernandez and Thomas Hernandez** (the "Buyer" whether one or more) for the property known as **675 Stonefield Lane, Whitewater**, Wisconsin (the "Property"). If any term or provision of this Addendum S conflicts or is inconsistent with any term or provision of the Offer, this Addendum S shall control.

1. **PROPERTY CONDITION REPORT:** The residential home on the Property ("Home") is new construction and as such Buyer waives pursuant to Wisconsin Statute Section 709.08, the right to receive a Seller's Real Estate Condition Report.
2. **SALE OF BUYER'S PROPERTY:** If this Offer has a Sale of Home contingency, Buyer shall submit to Seller a signed Listing Agreement (with a licensed Real Estate Brokerage firm) and a Comparable Market Analysis (CMA) for the Buyer's listed property within three (3) days of acceptance of this Offer. If the Offer is contingent on a successful closing of the Buyer's property, Buyer shall submit to Seller an accepted Offer to Purchase and a Finance Commitment for the Buyer's listed property within three (3) days of acceptance of this Offer otherwise Seller may terminate this Offer at any time by giving Buyer three (3) days prior written notice and the opportunity to cure such failure prior to the expiration of such three (3) day period.
3. **CHANGE ORDERS:** No change in the plans and specification or the scope of work for construction of the Home under this Offer are to be made except upon written order prior to changes being made and signed by Buyer and Seller (the "Change Order"). The Seller's decision to execute a Change Order shall be made in Seller's sole discretion and shall include Seller's profit and overhead. The Change Order shall set forth a detailed description of the change, addition or deletion and state the cost or credit of the change. Change Orders shall be paid as additional nonrefundable down payment at the time the change order is signed. In addition to the additional cost of any Change Order, Buyer shall pay Seller a Change Order fee of \$500.00 (which is not applicable toward and is in addition to the Purchase Price) to reimburse Seller for the costs of preparing and implementing the Change Order. Only Seller's President and the Seller's Director of Sales shall have the right to execute a Change Order on Seller's behalf and no other employee or agent has the authority to execute a Change Order. In no event shall changes to the structural components of the Home be allowed.
4. **COMMUNITY RESTRICTIONS AND FEES:** The Buyer acknowledges the receipt of a copy of the Declarations, bylaws and any rules and regulations and an index of the contents as applicable for the Subdivision in which the Property is located (the "Declarations"). The Declarations set out requirements established by the subdivision developer which must be followed by the property owners within the subdivisions. The Buyer agrees Buyer has reviewed and understands the Declarations and agrees to comply with Declarations. The Declarations also provide for a Homeowners Association (HOA) which charges fees of approximately \$ NA per year/month [STRIKE NOT APPLICABLE] plus an initial HOA one-time fee of \$ NA (HOA fees are determined by the developer and/or the HOA). Buyer shall reimburse Seller at Closing for the following fees paid by Seller related to the Property:

Street Tree Fees: \$ NA ; Other \$ NA ;
Landscaping Bond Fees: \$ NA ; Mailbox Fee \$ NA .

5. **DRIVEWAY:** A gravel drive is standard for the home on the Property and the purchase of the Property does NOT include a completed driveway unless otherwise specifically provided in this Offer. Buyer acknowledges that community and municipal requirements provide the driveway must be installed as soon as possible after Closing, weather permitting. If Buyer does contract with Seller for the installation of a driveway the Seller does not warranty that the driveway will be free from discoloration, scaling, heaving, popping or cracking because even properly installed concrete is subject to these conditions.

Any warranty of the driveway is subject to the warranty set out in the Seller's Homeowners Warranty Manual. Sealing the concrete surface of the driveway each fall will help to protect the concrete from salt and winter conditions. The avoidance of salt and de-icer on the driveway will help prevent deterioration of the driveway. Sand is the only safe substance to use on snow and ice to prevent deterioration of the driveway. The avoidance of heavy vehicles, RV's, moving vans and dumpsters on the driveway will also help prevent cracking. The cracking from heavy loads may not be evident until much later as the cracks may form at the base of the concrete and work upward over time.

6. **YARDS/LANDSCAPING:** The Property will be graded and will drain in substantial compliance with governmental requirements and approved engineering plans as of Closing, weather permitting. If weather does not permit completion prior to Closing then such engineering work will be completed by Seller after Closing shortly after the weather permits such work. The lot corners will be graded to within 4" +/- of the approved grade. The Buyer must retain the original grading of the Property and may not make any alteration to the grading plan including alterations of swales, erosion controls or patterns of water drainage. Silt fences must also be maintained until the lawn is established; the Seller will be responsible for this until closing after which it is the responsibility of the Buyer.

Seller will only clear trees, shrubbery, fences, rocks and other natural undergrowth on the Property to within 10'-15' around the foundation of the home on the Property. Buyer is responsible to remove or clear any additional area of the Property the Buyer chooses after Closing. Buyer is responsible for any damage to sidewalks, driveways, aprons, curbs and fences after Closing as allowed by the municipality.

A rough graded yard is included with the Property at Closing unless Buyer and Seller have contracted for a finished yard as otherwise specifically provided in this Offer. A rough graded yard means the final grade will be rough with clumps of dirt and rocks throughout the lot and will not be seeded or sodded for grass and that Buyer accepts the final condition and quality of the soil in "as is" condition. A rough graded lot also means there will be no topsoil on the lot and that Buyer is responsible for any retaining walls, terracing or other landscaping features desired by Buyer or required on the Property. If Buyer does contract with Seller for a finish grade and seeded yard, the New Lawn Maintenance Addendum shall be attached and made part of this Offer.

Some communities require seed or sod to be installed, while others also require a certain number of trees and shrubs of specific sizes and locations. The lawn not only affects the Property but neighbor's property as well. If the lawn has no grass to retain the soils, these materials will wash into neighboring yards, and may cost Buyer money to replace the soils on the Property. Municipalities require specific erosion control standards, so the yard must be installed as soon as possible after completion of construction.

7. **SUPERVISION:** Buyer acknowledges and agrees that the direction and supervision of construction of the Home, including all workers and subcontractors, is exclusively with the Seller. Buyer agrees not to issue any instructions to or otherwise interfere with any worker or subcontractor on the Property. The Buyer further agrees not to negotiate for additional work with any worker or subcontractor and not engage any other person or entity to perform work on the Property.
8. **HOME VISITS AND INSPECTIONS:** Due to insurance and safety requirements, Buyer may not visit the Property while it is under construction unless accompanied by a representative from Seller. It should be understood that violations of this clause may cause Seller's liability insurance to increase significantly. Therefore, violations will result in an add-on charge to the Purchase Price in the amount of \$500.00 per violation. Seller shall not be responsible for any injury to Buyer or any guests of the Buyer during such inspections. CAUTION: A BUILDING SITE IS A DANGEROUS PLACE.
9. **HOMEOWNER ORIENTATION:** The Seller shall conduct a Homeowner Orientation of the Home and Property with the Buyer ("Homeowner Orientation") prior to the Closing. The Homeowner Orientation shall be conducted at a minimum 7 days prior to Closing on a weekday (Monday-Friday) starting at either 9:00 a.m. or 1:00 p.m. Buyer should anticipate a 2-4 hour Homeowner Orientation and will be required to watch multiple short videos prior to arriving at the Homeowner Orientation. The Seller will explain at the beginning of the Homeowner Orientation the functions of this process. The Buyer will be required to perform this self-guided Homeowner Orientation using the Seller's electronic My Home App, in which the Buyer will make a list of items that require correction and remain to be corrected by the Seller (the "Punch List") as determined in the good faith judgment of the Seller. Then prior to Closing, Buyer and Seller will meet at Property to sign-off on completed Punch List items. Buyer may request a copy of the Punch List items from Seller. The Seller is only obligated to correct those items that are not in substantial conformity with Seller's final construction documents and any Change Order and only those items on the Punch List. Slight deviations from Seller's final construction documents which do not materially affect the appearance or usefulness of the Home shall be construed as substantial compliance with this Offer. Seller will complete the agreed upon Punch List items within a reasonable time. Neither Buyer nor its lender shall have the right to require an escrow or holdback of any portion of the Purchase Price for Punch List items, to use the Punch List as grounds for postponing or delaying the Closing, or for imposing any conditions upon the Closing. **Only the Buyer listed on this Offer may be present at the Homeowner Orientation.**

During inclement weather, Buyer should bring a raincoat and boots to the Homeowner Orientation to enable Buyer to inspect the exterior of the Home. If the exterior is not inspected at the Homeowner Orientation then Seller shall not be responsible for any exterior defects. Buyer acknowledges that some weather related or spring exterior work may not be completed by the Homeowner Orientation or Closing. These items may include, but are not limited to, driveway finish, grading, exterior painting and/or exterior concrete sidewalks, stoops and similar work. Those unfinished work items shall become part of the Punch List.

10. **TAX PRORATION:** Notwithstanding any provision in the Offer to the contrary, the real estate tax proration shall be based upon the net general real estate taxes for the preceding year, or the current year if available. The Property is new construction so the tax assessment has or will increase and real estate taxes for the year of closing and subsequent years is likely to be higher than the prior year for which the real estate tax proration is based.
11. **CLOSING FEES / PLACE:** The Closing shall occur at the offices of the Seller or Seller's title company as determined by the Seller. If Buyer's lender requires the Closing at a location other than as selected by Seller then Buyer shall be responsible for the title company's additional charge to close at such other location which location must be within 20 miles of Seller's office. In addition, if Buyer's lender utilizes the title company for the closing of Buyer's loan then Buyer shall be responsible for any title charges related to the loan closing.

12. **SUBSTANTIAL COMPLETION:** The Home shall be deemed to have reached "Substantial Completion" the date the occupancy permit or other approval, if any, is issued by the appropriate government authority. **BUYER ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT GUARANTY A SUBSTANTIAL COMPLETION DATE.**
13. **CLOSING:** Buyer agrees to close the purchase of the Property on the later of the date set for Closing in the Offer or within 35 days of Substantial Completion if the Home on the Property is not completed by the date set for Closing in the Offer (the "Closing"), notwithstanding any date set in the Offer for Closing. Buyer acknowledges and agrees that there is no guarantee of the completion date of the Home. Seller will endeavor to complete construction of the Home so that the Home is Substantially Complete as soon as reasonably possible subject to any causes beyond Seller's control which may delay completion, including but not limited to, Buyer delays, strikes, labor disputes, terrorism, civil unrest, unavailability of labor, material or specialty items selected by Buyer, government actions, decisions and regulations, weather conditions, power failures, acts of God, issuance of building permits and approvals, compliance with all applicable building, zoning or planning laws, ordinances, regulations and orders, litigation and threatened litigation pertaining to the Property or Home. The Home shall be deemed to have reached "Substantial Completion" the date the occupancy permit or other approval, if any, is issued by the appropriate government authority. **BUYER ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT GUARANTY A SUBSTANTIAL COMPLETION DATE.** Seller will contact Buyer approximately 1-2 weeks prior to Substantial Completion to schedule a Closing date and time. If Buyer fails to close the purchase of the Property as scheduled the Seller may either terminate this Offer or elect to extend the Closing date. If Seller elects to extend the Closing date then Buyer shall pay to Seller at Closing a delay fee of \$150 per day from the date of the original scheduled Closing to the actual Closing.
14. **OCCUPANCY:** The Buyer may not occupy all or any part of the Property or Home until the full Purchase Price (including all amendments, allowances and Change Orders) has been paid to Seller and an occupancy permit has been issued for the Home. Seller shall retain exclusive possession and control of the Property until Closing.
15. **LIMITED WARRANTY:** Seller provides a one-year Limited Warranty ("Limited Warranty") from the date of Substantial Completion. The Limited Warranty is defined in Seller's "Homeowner's Warranty Manual" a copy of which Buyer acknowledges has been made available to Buyer for review. Seller makes no other warranty, express or implied. **THE LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF SELLER, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND INURES ONLY TO THE BENEFIT OF BUYER.**

Buyer acknowledges and agrees that the Home shall be constructed in accordance with the *Residential Construction Performance Guidelines (Sixth Edition)* published by the National Association of Home Sellers and that compliance with the *Guidelines* and the local building codes constitutes "good and workmanlike construction". Buyer may request that a copy of the *Guidelines* be made available for Buyer's review.

All Home appliances and other consumer products installed in the Home are sold by Seller "AS IS" without representation or warranty of any kind. If any such appliances or products are warranted by their manufacturer the Seller shall assign those warranties to Buyer at Closing.

The Limited Warranty is made only to the Buyer and is not transferable. Buyer acknowledges a copy of the Limited Warranty has been made available for Buyer's review.

TAH	JLF
Initials	Initials

16. **SERVICE WORK:** At the Homeowner Orientation, Seller will provide Buyer with a packet which includes instructions for requests for service and warranty work. All service and warranty requests shall be made through the "Builder Trend Warranty Portal" software system of Seller. Service work shall be scheduled with the Buyer for Monday through Friday, from 8:00 a.m. to 4:00 p.m. Seller will complete service and warranty work approximately 120 days and 1 year after Closing. Seller will not provide service or warranty work in between such dates except for emergency situations as described below. If Buyer is unavailable for scheduling during the specified dates and times this may result in a delay of up to several weeks to complete the service repairs. Refer to Seller's Limited Warranty and Homeowner's Warranty Manual for warrantable items. For emergency services during other than service schedule dates and times above, please use the numbers provided at the Homeowner Orientation. Emergency situations are limited to total stoppage of the plumbing and sewer/septic system, water leaks which require service to be shut off to avoid serious damage to the Home or furnishings, complete loss of heat in cold weather and total loss of electrical service which is not a general utility company power outage.
17. **NOTICE OF CONSTRUCTION DEFECTS AND RIGHT TO REPAIR:** Wisconsin Statute 895.07 sets out certain requirements of Notice and the Right to Cure of Buyer to Seller before Buyer may commence a lawsuit for defects in construction. Notwithstanding anything to the contrary in the Offer, Seller shall not be obligated to replace or repair any Defect, as defined below, or pay for the replacement or repair of the same if such Defect is caused, in whole or in part by: (i) Buyer's improper or insufficient maintenance of the Home or improper or insufficient maintenance or operation of any of the Home's systems; (ii)

natural occurrences beyond Seller's control; (iii) an act or omission of Buyer or any third parties not under Seller's control, including, but not limited to, work performed by the Buyer or by Buyer's subcontractors; or (iv) normal wear and tear.

In the event of an alleged construction or design defect arising out of or relating to the Offer, including, but not limited to, breach of warranty, incomplete work or any other condition of the Home (the "Defect"), Buyer shall notify Seller through written notice of any such Defect, regardless of the cause or source, promptly upon Buyer's discovery of the Defect. Buyer shall thereafter provide Seller with reasonable access during normal working hours to the Home for the purpose of investigating, testing and examining the Defect. If the Defect is covered by the Seller's warranty then Seller shall be given reasonable access to the Home and a reasonable amount of time to, at Seller's sole option, replace or repair the Defect. The replacement or repair of the Defect shall be Buyer's sole and exclusive remedy for a Defect. Buyer waives any and all incidental and consequential damages arising out of or relating to a Defect. **Buyer acknowledges that a copy of the State of Wisconsin brochure of Notice and Right to Cure has been given to the Buyer at the date that this Offer is signed.**

TAH
Initials

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Initials

18. **AIR QUALITY WARNING:** Microorganisms, including, but not limited to, mold, mildew, spores or any other form of fungi or bacteria ("Microorganisms"), occur naturally in the environment and may be present, during or after construction, in the indoor air and/or on the interior surfaces of the Home including, without limitation to, wall cavities, attics, windows, basements and/or on the exterior surfaces of the Home, or any part thereof. Mold can occur even when the home is constructed following accepted construction practices. Concentration of moisture in the Home may result from cooking, showering or similar activities inside the Home, the outside atmosphere and/or the design, construction means and methods and/or the building materials used in the construction of the Home. This moisture may cause the growth, release, discharge, dispersal or presence of Microorganisms which, at certain levels, can cause deterioration of building materials, damage to property, health hazards, personal injuries and/or other irritant effects such as, without limitation to, skin irritation, respiratory problems and/or allergic reactions. Likewise, concentrations of radon released from soil or chemicals released from household furnishings, appliances, mechanical equipment, personal possessions or building materials may, at certain levels, create health hazards and/or other irritant effects such as, without limitation to, skin irritation, respiratory problems and allergic reactions. Because Microorganisms and radon occur naturally in the environment, Seller cannot eliminate the possibility that radon may be present or that Microorganisms may grow in, on or about the Home. Buyer may minimize these effects by proper utilization and maintenance of heating, cooling, dehumidification or ventilation equipment, interior maintenance and cleaning and exterior maintenance such as, but not limited to, proper grading, landscaping, painting and caulking. **BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS BEEN INFORMED OF SUCH DEFECTS AND BUYER ASSUMES ALL RISKS AND RELEASES SELLER FOR ALL CLAIMS OF DAMAGE, PERSONAL INJURY, OR DESTRUCTION OF OR INJURY TO PROPERTY THAT MAY ARISE AS A RESULT OF OR IN ANY WAY CONNECTED WITH THE INDOOR AIR QUALITY OR THE PRESENCE OF MICROORGANISMS, RADON OR CHEMICALS IN, ON OR ABOUT THE HOME.**
19. **GAP ENDORSEMENT:** GAP Insurance is not included. If Buyer chooses to have "gap" endorsement coverage or equivalent gap coverage, Buyer will request the coverage and will pay the fee.
20. **CONFLICTING LANGUAGE WITH APPROVED FORMS:** It is intended that this Addendum S document be used with an approved form as set forth in RL 16.03 of the Wisconsin Administrative Code. In the event that any provision of this Addendum conflicts with the provisions of the approved forms, the provisions of this Addendum shall control.
21. **REAL ESTATE BROKER:** The Seller and/or principals of the Seller are licensed Real Estate Brokers in the State of Wisconsin.
22. **ENTIRE OFFER:** The Offer expresses all agreements, understandings, representations and warranties between the Buyer and Seller concerning the subject matter hereof and supersedes all previous understandings and Offers relating thereto, whether oral or written, including proposals, draft plans and specifications, brochures, emails, texts and other information, and shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors and of the parties hereto; provided, however, this Offer is not assignable by Buyer. This Offer may be amended only by written Offer of both Buyer and Seller. The headings in this Offer are inserted only as a matter of convenience and in no way affect the terms or intent of any provisions of this Offer.
23. **INTERPRETATION:** This Offer has been drafted, negotiated and entered into by each party having the opportunity to seek the advice of independent counsel. Accordingly, this Offer shall not be construed against one party or the other based on which party drafted any portion thereof.
24. **SIGNATURES:** If there is more than one Buyer to this Offer then each Buyer does hereby irrevocably authorize each other Buyer to act alone in dealings with Seller. Any amendment to this Offer, Change Order, approval or authorization signed by any Buyer shall be binding on all Buyers and shall have the same effect as if signed by each Buyer. Executed signature pages for any document contemplated under this Offer may be transmitted by facsimile or e-mail, and such facsimile or electronic signatures shall have the same legal effect as an original signature. This Offer may be executed in counterparts. Each such counterpart shall be considered an original, and all of such counterparts shall constitute a single Offer binding the parties as if they had signed a single document.

25. **VENUE, JURISDICTION AND FEES:** This Offer is deemed executed in Pewaukee, Wisconsin at the offices of Seller. This Offer shall be interpreted and enforced in accordance with the laws of the State of Wisconsin. All disputes arising from or relating to this Offer shall be brought only before a state court sitting in Waukesha County, Wisconsin, and the parties hereby irrevocably consent to the personal jurisdiction of such courts and venue therein. EACH OF THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATED TO THIS OFFER OR ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION HEREWITH, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. Seller is entitled to recover from Buyer all costs and expenses, including, but not limited to, reasonable attorneys' fees, Seller may incur in collecting any amounts due under the Offer hereunder or enforcing any provision of the Offer plus interest at a monthly periodic rate of 1.5% on any amounts due.
26. **ENFORCEABILITY:** If any part of this Offer is found to be unenforceable, it shall not affect the enforceability of the remainder of this Offer. The failure of either party to enforce any term or condition of this Offer shall not constitute a waiver of any other breach of any right, claim, term or condition of this Offer.
27. **TIME IS OF THE ESSENCE:** "Time is of the Essence" as to all dates in this Offer.
28. **HOME INFORMATION DISTRIBUTION:** The Buyer gives consent for the Seller to give information regarding the Home and sale of the Home to state licensed real estate appraisers for purposes of evaluating and determining real estate values.
29. **NOTICE:** Any notices shall be made in writing and delivered personally or sent by email, facsimile, overnight delivery service or certified mail, postage prepaid, return receipt requested, to the other party at the addresses below unless changed by any party by giving written notice to the other party. A notice shall be deemed delivered when received by personal delivery, when received if sent by email or facsimile during regular business hours, the next business day if sent by overnight delivery service or three (3) business days after deposit in a U.S. Postal Service depository if sent by certified mail.

BUYER: (Required Information)

1307 W. Sattonwood Lane Whitewater, 53190
Whitewater, WI 53190

jasminfernandez@outlook.com
E-mail Address

hernandezthomas@hotmail.com

Buyer #2 Email

920-723-7985

Buyer #1 Home Number

2622030822

Buyer #2 Home Number

SELLER:

N27 W2402 Paul Court; Suite 200
Pewaukee, WI 53702

WE, THE BUYERS, HAVE READ THIS ADDENDUM S CAREFULLY BEFORE SIGNING AND AGREE TO THE TERMS OF THIS ADDENDUM S AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS ADDENDUM S.

Dated the Date first above written.

BUYER:

Authentication

Thomas A. Hernandez

03/12/25

Signature

Jasmin L. Fernandez

03/12/25

Signature

SELLER:

DocuSigned by:

Corey Gerth

Signature 56D1DC53548E483...

Harbor Homes Inc. Corey Gerth, its agent

Title

To facilitate lender preparation of the Closing Disclosure:

Name of Firm **for Buyer** Devout Real Estate Group LLC

Company Address 96 S. Main St. Unit C Fort Atkinson, WI 53590

Firm License No. 905251-91

Selling Agent's Name Sarah Gabrielse

License No. 85337-94/59740-90

Email address sarahg@devoutrealestate.com

Telephone No. 920-397-7244

Name of Firm for Seller: **Harbor Homes, Inc.**

Company Address: **N27 W24025 Paul Ct., Suite 200, Pewaukee, WI 53072**

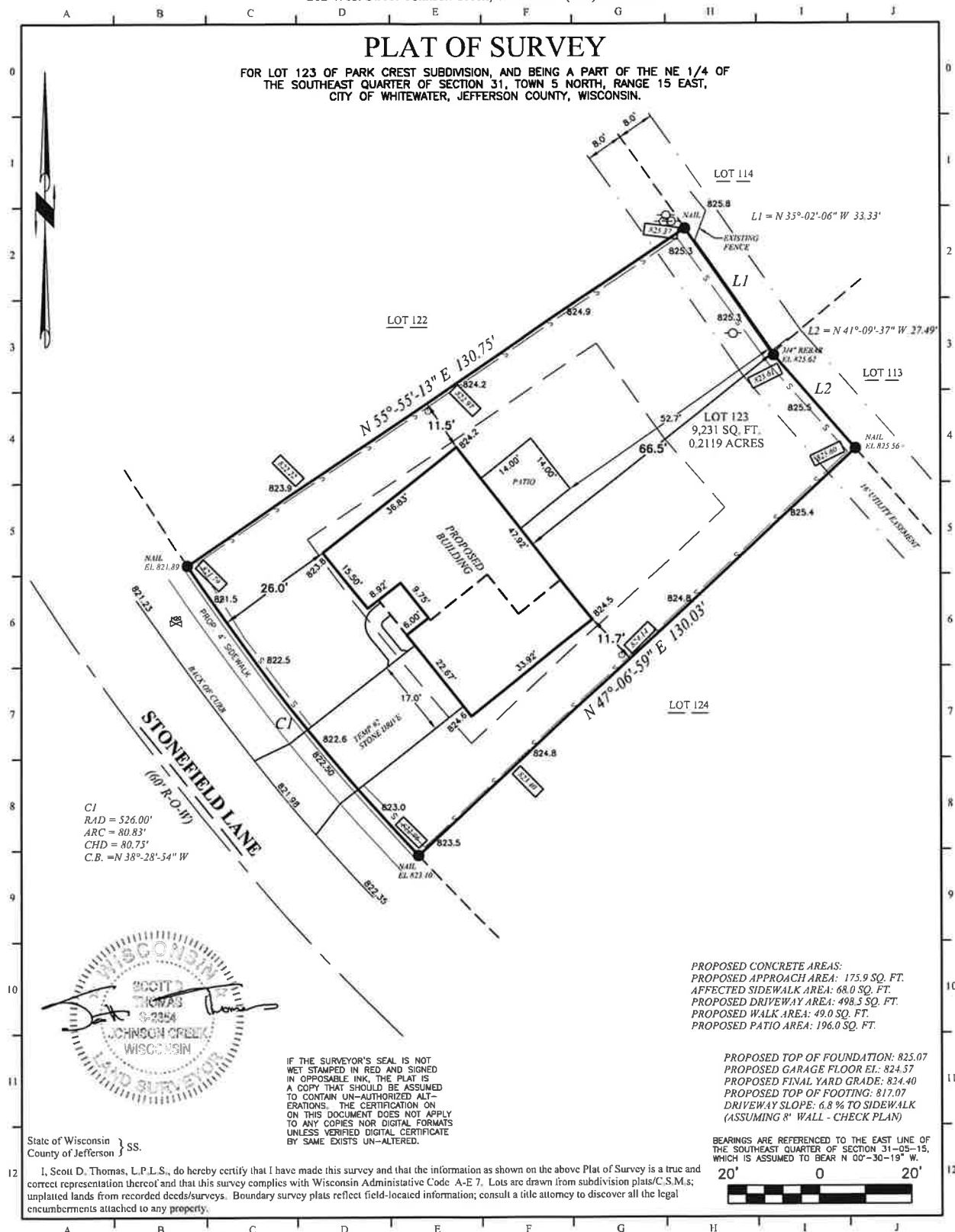
Firm License No.: **938401-91**

Listing Agent's Name Kamryn R Eberle

License No. _____

Email address keberle@harborhomeswi.com

Telephone No. _____



LEGEND: These standard symbols may be found in the drawing.

- | | | | |
|-----|-----------------------------|-----|--------------------------|
| ● | Lot Corner (Found) w/desc. | ☐ | Catch Basin |
| ○ | 18" X 3/4" Dia. Rebar (Set) | ⊥ | Lateral End |
| □ | Elec. Trans. Box | ⏏ | Offset Stake |
| ⊕ | Man Hole | ⏏ | Proposed Spot Grades |
| —○— | Utility Pedestal | —○— | Platted Utility Easement |
| ⚡ | Fire Hydrant | — | Building Setback Line |
| ⚙ | Water Valve | —S— | Proposed Silt Fence |

* Light Post
C:\Holland&Thomas\241243.dwg:DrawnBy:NLH;CheckedBy:SDT;F.W.F:01-22-25;S:01-23-25.

NOTE: EXCAVATOR AND MASON MUST VERIFY AT LEAST TWO BENCH MARKS SHOWN ABOVE.

PROJECT: 132-123

BUILDER: Harbor Homes
N27 W24025 Paul Ct.
Pewaukee, WI 53072
Ph: (262) 232-8520

Jasmin L. Fernandez

03/12/25

Thomas A. Hernandez

03/12/25

Digitally signed by
Scott D. Thomas
Date: 2025.01.23
16:43:02 -06'00'

**ALTA COMMITMENT FOR TITLE INSURANCE**

Issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, First American Title Insurance Company, a California (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 6 months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

COMMITMENT CONDITIONS**1. DEFINITIONS**

- a. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- b. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- c. "Land": The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- d. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- e. "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.

This page is only a part of a 2021 ALTA Commitment for Title Insurance[issued by First American Title Insurance Company,. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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- f. "Proposed Amount of Insurance": Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
 - g. "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
 - h. "Public Records": The recording or filing system established under State statutes in effect at the Commitment Date under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
 - i. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
 - j. "Title": The estate or interest in the Land identified in Item 3 of Schedule A.
2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
3. The Company's liability and obligation is limited by and this Commitment is not valid without:
- a. the Notice;
 - b. the Commitment to Issue Policy;
 - c. the Commitment Conditions;
 - d. Schedule A;
 - e. Schedule B, Part I—Requirements;[and]
 - f. Schedule B, Part II—Exceptions;[and]
 - g. a counter-signature by the Company or its issuing agent that may be in electronic form].
4. **COMPANY'S RIGHT TO AMEND**
The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.
5. **LIMITATIONS OF LIABILITY**
- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I—Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
 - b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
 - c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
 - d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
 - e. The Company is not liable for the content of the Transaction Identification Data, if any.
 - f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
 - g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.
6. **LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM**

This page is only a part of a 2021 ALTA Commitment for Title Insurance[issued by First American Title Insurance Company,. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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- a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
 - b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.
 - c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
 - d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
 - e. Any amendment or endorsement to this Commitment must be in writing[and authenticated by a person authorized by the Company].
 - f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.
7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT
The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.
8. PRO-FORMA POLICY
The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.
9. CLAIMS PROCEDURES
This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.
10. CLASS ACTION
ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS COMMITMENT, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS COMMITMENT, ANY BREACH OF A COMMITMENT PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS COMMITMENT, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING. ANY POLICY ISSUED PURSUANT TO THIS COMMITMENT WILL CONTAIN A CLASS ACTION CONDITION.

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**ALTA COMMITMENT FOR TITLE INSURANCE**

Issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

Issuing Agent: Frontier Title & Closing Services, LLC

Issuing Office's ALTA® Registry ID: **1107563**

Loan ID Number:

Property Address: **675 Stonefield Ln, Whitewater, WI 53190**

Commitment Number: **FTS25-46604A**

SCHEDULE A

1. Commitment Date: March 25, 2025 at 07:00 AM
2. Policy to be issued:
 - a. **[2021 ALTA® Owner's Policy]**
 Proposed Insured: Thomas A. Hernandez and Jasmin L. Fernandez
 Proposed Policy Amount: \$402,900.00
 The estate or interest to be insured: Fee Simple
 - b. **[2021 ALTA® Loan Policy]**
 Proposed Insured: Fort Community Credit Union, its successors and/or assigns
 Proposed Policy Amount: \$377,900.00
 The estate or interest to be insured: Fee Simple
3. The estate or interest in the Land at the Commitment Date is: Fee Simple.
4. The Title is, at the Commitment Date, vested in:
 Harbor Homes, Inc., a Wisconsin corporation
5. The Land is described as follows:
 Lot 123 in Park Crest Subdivision, being a redivision of all of the Northeast 1/4 of the Southeast 1/4 of Section 31, and part of the Northwest 1/4 of the Southwest 1/4 of Section 32, Township 5 North, Range 15 East, City of Whitewater, Jefferson County, State of Wisconsin.

Transaction Identification Data for reference only:

Property Address: 675 Stonefield Ln, Whitewater, WI 53190

Tax Key No: 292-0515-3141-097

Date: March 27, 2025

Frontier Title & Closing Services, LLC

Hannah L. Mueller, Title Examiner

(262) 361-4712 / hmueller@frontiertitlellc.com



First American Title Insurance Company

Kenneth D. DeGlorio, President

Greg L. Smith, Secretary

This page is only a part of a 2021 ALTA Commitment for Title Insurance[issued by First American Title Insurance Company,. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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AMERICAN
LAND TITLE
ASSOCIATION



**ALTA COMMITMENT FOR TITLE INSURANCE**

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY**SCHEDULE B, PART I—Requirements****All of the following Requirements must be met:**

1. **The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.**
2. **Pay the agreed amount for the estate or interest to be insured.**
3. **Pay the premiums, fees, and charges for the Policy to the Company.**
4. **Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.**
5. Warranty Deed from Harbor Homes, Inc., executed by Steve DeCleene, President, Neumann Companies WI, Inc., sole member, to Thomas A. Hernandez and Jasmin L. Fernandez.
6. Mortgage from Thomas A. Hernandez and Jasmin L. Fernandez to Fort Community Credit Union, its successors and/or assigns.

The Mortgage should recite either that the property is non-homestead, that the Mortgagors are single, or be joined in by the spouse of each.

If all of the net proceeds of the Mortgage are to be disbursed to or on behalf of the seller of the subject premises as part of the purchase price and said Mortgage recites on the face thereof that it is a purchase money mortgage, the above requirement may be disregarded.

7. Proof of payment of unpaid assessments or charges for common expenses, fines, penalties, levies or costs, if any, asserted under the Declaration of Restrictions or any amendments, modifications, addenda, supplements, extensions, corrections, or bylaws adopted pursuant thereto.
8. Satisfaction of:

Child Support Lien in the amount of \$3,771.82, against Tomas Hernandez, in favor of State of Wisconsin, Department of Children and Families, docketed on June 9, 2024, as No. 000783380. (Contact Milwaukee Regional Office for Payout)

NOTE: This is against the buyer and will be shown on the final policy unless previously satisfied, or we are provided with the last 4 digits of the social security number and date of birth to verify this is not against Thomas A. Hernandez.

NOTE: Frontier Title & Closing Services, LLC requires all closing funds in excess of \$10,000.00 to be wired. Funds in excess of \$500.00 must be in the form of a cashier's check. Please contact our office at closing@frontiertitlellc.com or (262)361-4466 for wiring instructions.

NOTE: The fee to record documents in ALL Wisconsin counties covered under s.59.43(2)(ag)1 and 59.43(2)(e) subject to s.59.72(5) will be \$30.00 per document.

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Please make recording fee checks payable to Register of Deeds OR Frontier Title & Closing Services, LLC.

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SCHEDULE B, PART II—Exceptions

SOME HISTORICAL LAND RECORDS CONTAIN DISCRIMINATORY COVENANTS THAT ARE ILLEGAL AND UNENFORCEABLE BY LAW. THIS COMMITMENT AND THE POLICY TREAT ANY DISCRIMINATORY COVENANT IN A DOCUMENT REFERENCED IN SCHEDULE B AS IF EACH DISCRIMINATORY COVENANT IS REDACTED, REPUDIATED, REMOVED, AND NOT REPUBLISHED OR RECIRCULATED. ONLY THE REMAINING PROVISIONS OF THE DOCUMENT WILL BE EXCEPTED FROM COVERAGE.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. **Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.**

Note: Exception 1 of Schedule B-II will be removed only if a gap endorsement is attached to this commitment and the requirements for the issuance of gap coverage as described in the endorsement are met, including the payment of the premium.
2. **Special taxes or assessments, if any, payable with the taxes levied or to be levied for the current and subsequent years.**

Note: Exception 2 of Schedule B-II will be removed only if the Company receives written evidence from the municipality that there are no special assessments against the Land, or that all such items have been paid in full. Exception 2 will be removed on a refinance, junior mortgage or home equity loan upon receipt of a fully executed Construction Work and Tenant Affidavit for Refinances acceptable to the Company indicating that there are no special assessments against the land, or that all such items have been paid in full.
3. **Liens, hook-up charges or fees, deferred charges, reserve capacity assessments, impact fees, or other charges or fees due and payable on the development or improvement of the Land, whether assessed or charged before or after the Date of Policy. The company assures the priority of the lien of the insured mortgage over any such lien, charge or fee.**

Note: Exception 3 of Schedule B-II will be removed only if the Company receives (1) written evidence from the municipality that there are no deferred charges, hookup fees, or other fees or charges attaching to the property; (2) evidence that the Land contains a completed building; and (3) statement showing that the Land has a water and sewer use account. If the Land is vacant, this exception will not be removed.
4. **Any lien or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.**

Note: Contact the Company for information on the deletion of this exception.
5. **Rights or claims of parties in possession not shown by the public records.**

Note: Exception 5 of Schedule B-II will be removed only if the Company receives a Construction Work and Tenants Affidavit on a form prepared by the Company. If the affidavit shows that there are tenants, Exception 5 will be replaced by an exception for the rights of the tenants disclosed by the Affidavit.
6. **Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be**

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disclosed by an accurate and complete land survey of the land.

7. **Easements or claims of easements not shown by the public records.**
8. **Any claim of adverse possession or prescriptive easement.**

Note: Exceptions 6, 7, and 8 of Schedule B-II will be removed only if the Company receives an original survey which (i) has a current date, (ii) is satisfactory to the Company, and (iii) complies with current ALTA/ACSM Minimum Survey Standards or Wisconsin Administrative Code Chapter AE-7 together with the certification agreed on between the Wisconsin Land Title Association and the Wisconsin Society of Land Surveyors on April 1, 1974. If the survey shows matters, which affect the title to the property, Exceptions 6, 7 and 8 will be replaced by exceptions describing those matters.

9. **General taxes for the year 2025.**
10. Charges and/or Assessments, if any, due to the creation of TID District No. 14.
11. Drainage Easement Agreement between Ruth M. Walton aka Ruth Walton and Park Crest, LLC by an instrument recorded on May 5, 2000 in Volume 1147, Page 644, as Document No. [1036525](#).
12. Covenants, conditions and restrictions set forth in Declaration, recorded on May 5, 2000 in Volume 1147, Page 649, as Document No. [1036526](#).

Amendment to Declaration recorded on July 29, 2002 as Document No. [1090310](#).
13. Covenants, conditions and restrictions set forth in Notice of Adjacent Airport, recorded on May 5, 2000 in Volume 1147, Page 656, as Document No. [1036527](#).
14. Distribution Easement Underground Joint granted to Wisconsin Electric Power Company, Wisconsin Bell, Inc. dba Ameritech-Wisconsin and Marcus Cable Partners, LLC dba Charter Communications by an instrument recorded on April 24, 2000 in Volume 1155, Page 80, as Document No. [1039487](#).
15. Covenants, conditions, restrictions, reservations, setbacks, easements, general notes and all other matters; all as contained on the recorded plat of [Park Crest Subdivision](#).
16. **Mortgage from Harbor Homes, Inc to First Business Bank, in the amount of \$32,500,000.00, and any other amounts payable under the terms thereof, dated February 27, 2025, recorded on March 3, 2025, as Document No. 1492527.**

Note No. 1: A Special Assessment search has been ordered from the municipality, but not received as of the preparation of this commitment. Said search will be forwarded upon receipt and the commitment will be subject to the matters shown thereon.

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**ALTA COMMITMENT FOR TITLE INSURANCE**

Issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

Privacy Notice

Effective: October 1, 2019

Notice Last Updated: January 1, 2021

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How Do We Store and Protect Your Information? The security of your information is important to us. That is why we take commercially reasonable steps to make sure your information is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your information.

How Long Do We Keep Your Information? We keep your information for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations.

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Contact Us dataprivacy@firstam.com or toll free at 1-866-718-0097.

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