



**Community Development Authority  
Board of Directors Meeting**

**AGENDA**

**Thursday, November 17, 2022 at 5:30 p.m.**

**[Note: Additional backup materials added to Packet at  
Item 5(a) on November 15, 2022 at 11:00 a.m.]**

**Location: Municipal Building – Community Room 1<sup>st</sup> Floor  
312 W. Whitewater St., Whitewater, WI 53190**

**This will be an IN-PERSON and VIRTUAL MEETING**

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

You are invited to a Zoom webinar.

When: Nov 17, 2022 05:30 PM Central Time (US and Canada)

Topic: Community Development Authority Meeting

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/83873975206?pwd=MnV6aHRDKzZTa1NyMGQxTnRwbDNIUT09>

Passcode: 330629

Or Telephone:

Dial: US: +1 312 626 6799

Webinar ID: 838 7397 5206

Passcode: 330629

All agenda items are subject to discussion and/or action.

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. Review of City

---

**1. Administrative Items.**

**a. Call to Order:**

**b. Roll Call:**

- c. **Declaration of Conflict of Interest:** Would any member(s) of the Board wish to declare any known conflict of interest with the items presented on today's CDA Board Agenda?
  - d. **Hearing of Citizen Comments:** No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time.
- 2. **Presentation:** Slipstream LLC ) Bill Bowen and Choton Basu
  - 3. **Approval of Minutes:** CDA Board Meeting October 20, 2022.
  - 4. **Review and Acknowledge Financial Statements:** October 31, 2022.
  - 5. **Action Items:**
    - a. Discussion and possible action regarding status of \$30,000 Action Fund Loan under Loan Agreement between the CDA and Fine Food Arts LLC dated December 29, 2021.
  - 6. **Updates and Discussion:**
    - a. Economic Development Activity Report.
  - 7. **Board Member Requests for Future Agenda Items:**
    - a. Create policy between the CDA and City regarding transfers of residual equity from the CDA to the City.
    - b. Improvement of the physical condition of Lot 9B in the Business Park.
    - c. CDA Alternative Revenue Streams.
    - d. Director to visit (virtual/in-person) with Whitewater's employers.
    - e. Recruit Developer that would include a grocery merchant.  
**(The above matters may be discussed at this meeting but no substantive action will be taken.)**
  - 8. **Adjournment.**

---

**CDA Loan Recipient Presentations:**

Recruit chute - TBD

Scanalytics - TBD



**Community Development Authority  
Board of Directors Meeting**

**MINUTES**

**Thursday, October 20, 2022**

**Location: Municipal Building – Community Room 1<sup>st</sup> Floor  
312 W. Whitewater St., Whitewater, WI 53190**

---

**1. Administrative Items.**

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

**1. Presentations:**

- a. **Blue Line Battery:** Nick Rinaldi, Vice President of Finance for Blue Line Battery, Inc., updated the Board with regard to their business operations which began in the Whitewater University Innovation Center located in the Business Park. Blue Line is now five and a half years old and has 17 employees, half of which came from UW-Whitewater. Blue Line produces lithium ion batteries for forklifts and has seen growth every year since its inception, with significant growth in the last two years. The company has established a partnership with a contract manufacturer out of Green Bay that has assisted them in professionalizing their product. Blue Line batteries are modular in design, allowing them to more easily service their product, with a significant amount of service handled remotely. Profitability the past year was a challenge due to supply chain issues and inflation. Blue Line imports lithium pouch cells from China and is exploring the possibility of manufacturing those items here in the United States. Blue Line is currently working on securing UL Certification for their product and has applied for a WEDC Technical Development Loan. **[start at 14:44]**
- b. **Learning Depot:** Rochelle from the Learning Depot Child Care Center presented an update on business activities in Whitewater. Turnover at the Learning Center was above the State average last year. They receive daily calls regarding enrollment and continue to be challenged by staffing issues.

2. **Approval of Minutes:** Moved by Singer and seconded by Kromholz to approve the Minutes of the September 15, 2022 CDA Board Meeting. AYES: Dawsey-Smith, Singer, Allen, Kachel, Kromholz; NOES: None; ABSENT: Gleason, Gildemeister.
3. **Review and Acknowledge Financial Statements:** Moved by Dawsey-Smith and seconded by Kachel to approve the Financial Statements dated as of September 30, 2022. AYES: Dawsey-Smith, Kachel, Kromholz, Singer, Allen; NOES: None; ABSENT: Gleason, Gildemeister.
4. **Updates and Discussion:**
  - a. Economic Development Activity Report (John Weidl). Nothing significant to report other than what will be included in Closed Session.
5. **Board Member Requests for Future Agenda Items:**
  - a. Create policy between the CDA and City regarding transfers of residual equity from the CDA to the City.
  - b. Improvement of the physical condition of Lot 9B in the Business Park.
  - c. CDA Alternative Revenue Streams.
  - d. Director to visit (virtual/in-person) with Whitewater's employers.
  - e. Recruit Developer that would include a grocery merchant.  
(The above matters may be discussed at this meeting but no substantive action will be taken.)
6. **EXECUTIVE SESSION.** Moved by Dawsey-Smith and seconded by Allen to Adjourn to Closed Session, NOT TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.  
**Items to be discussed:**
  - a) Negotiation of sale of land located on Bluff Road (Bluff Road Commercial District); and
  - b) Negotiation of sale of 24 acres located on Enterprise Drive.

Moved by Dawsey-smith and seconded by Allen. Roll Call: AYES: Allen, Dawsey-Smith, Kromholz, Kachel, Singer; NOES: None; ABSENT: Gleason, Gildemeister.
7. **Adjournment.** Moved by Singer and seconded by Kromholz to adjourn. AYES: All by voice vote (5); NOES: None; ABSENT: Gleason, Gildemeister. Meeting adjourned at 6:12 p.m.

Respectfully submitted,

Bonnie Miller, Recorder

Minutes Approved by CDA Board of Directors on \_\_\_\_\_, 2022.

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2022**

**ECONOMIC DEVELOPMENT FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>OTHER FINANCING SOURCES</u>					
900-49265-56 TRANSFER TID #4 AFFORD HOUSING	.00	50,000.00	50,000.00	.00	100.0
900-49290-56 GENERAL FUND TRANSFER	67,343.00	117,343.00	117,342.99	( .01)	100.0
900-49300-56 FUND BALANCE APPLIED	.00	.00	2,517.46	2,517.46	.0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>67,343.00</b>	<b>167,343.00</b>	<b>169,860.45</b>	<b>2,517.45</b>	<b>98.5</b>
<b>TOTAL FUND REVENUE</b>	<b>67,343.00</b>	<b>167,343.00</b>	<b>169,860.45</b>	<b>2,517.45</b>	<b>98.5</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2022**

**ECONOMIC DEVELOPMENT FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA</u>					
900-56500-111 SALARIES	.00	40,621.95	77,351.72	36,729.77	52.5
900-56500-115 WAGES/PART-TIME/PERMANENT	5,515.52	22,309.06	22,129.35	( 179.71)	100.8
900-56500-151 FRINGE BENEFITS	132.14	11,016.80	24,934.24	13,917.44	44.2
900-56500-210 PROFESSIONAL DEVELOPMENT	.00	665.00	3,500.00	2,835.00	19.0
900-56500-212 LEGAL SERVICES	375.00	375.00	12,500.00	12,125.00	3.0
900-56500-215 PROFESSIONAL SERVICES	.00	1,510.75	2,500.00	989.25	60.4
900-56500-219 AUDIT FEES	.00	.00	4,000.00	4,000.00	.0
900-56500-222 COUNTY/REGIONAL ECON DEV	.00	8,436.00	9,250.00	814.00	91.2
900-56500-223 MARKETING	45.68	833.18	2,500.00	1,666.82	33.3
900-56500-224 SOFTWARE/HARDWARE MAINTENANCE	213.28	2,846.00	3,344.43	498.43	85.1
900-56500-225 TELECOM/INTERNET/COMMUNICATION	178.58	1,751.04	2,120.71	369.67	82.6
900-56500-310 OFFICE & OPERATING SUPPLIES	50.71	358.95	600.00	241.05	59.8
900-56500-311 POSTAGE	.00	90.64	200.00	109.36	45.3
900-56500-320 DUES	.00	.00	1,180.00	1,180.00	.0
900-56500-325 PUBLIC EDUCATION	.00	39.00	50.00	11.00	78.0
900-56500-330 TRAVEL EXPENSE	.00	1,903.77	3,700.00	1,796.23	51.5
<b>TOTAL CDA</b>	<b>6,510.91</b>	<b>92,757.14</b>	<b>169,860.45</b>	<b>77,103.31</b>	<b>54.6</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>6,510.91</b>	<b>92,757.14</b>	<b>169,860.45</b>	<b>77,103.31</b>	<b>54.6</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>60,832.09</b>	<b>74,585.86</b>	<b>.00</b>	<b>( 74,585.86)</b>	<b>.0</b>

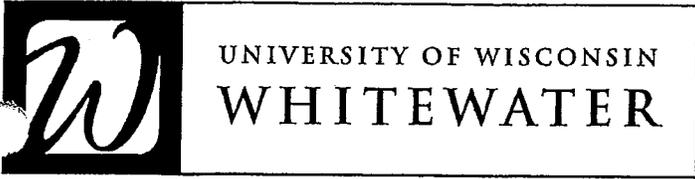
Report Criteria:

Report type: GL detail

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

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Notes	Description	Invoice Number	Invoice GL Account	Invoice Amount
900									
10/22	10/06/2022	94161	9519	GOVTEMPSUSA LLC		WEIDL, JOHN	4040268	900-56500-115	1,093.12
10/22	10/06/2022	94161	9519	GOVTEMPSUSA LLC		WEIDL JOHN	4048817	900-56500-115	2,732.80
10/22	10/14/2022	94222	4617	JAMES IMAGING SYSTEMS		SEPT 22 COPIES	10114	900-56500-310	31.73
10/22	10/14/2022	94222	4617	JAMES IMAGING SYSTEMS		SEPT 22 COPIES	10114	900-56500-310	31.73- V
10/22	10/14/2022	94226	8438	JAMES LEASING LLC		SEPT COPIES	10114	900-56500-310	31.73
10/22	10/27/2022	94268	8	UW WHITEWATER		TWELVE2 MARKEING PRINTOUT-BONNIE MILLER	37373	900-56500-223	45.68 ✓
10/22	10/21/2022	900176	8487	US BANK	SMITH AMUNDSEN LLC-LO	LEGAL BJM	OCT 2022	900-56500-212	375.00 ✓
10/22	10/21/2022	900176	8487	US BANK	ADOBE ID CREATIVE CLD-T	ADOBE CREATIVE CLOUD	OCT 2022	900-56500-224	208.70
10/22	10/21/2022	900176	8487	US BANK	EIG*BLUEHOST.COM-TIMO	WWW.WHITEWATERCDA.COM DOMAIN RENEWAL	OCT 2022	900-56500-225	19.99
10/22	10/21/2022	900176	8487	US BANK	EIG*BLUEHOST.COM-TIMO	WWW.CDA.NET DOMAIN RENEWAL	OCT 2022	900-56500-225	19.99
10/22	10/21/2022	900176	8487	US BANK	AMZN MKTP US*1M9U22P3	ED-Office supplies	OCT 2022	900-56500-310	18.98 ✓
Total 900:									4,545.99
Grand Totals:									4,545.99

TO FINANCE 10/25/2022



# Invoice

Invoice Number

37373

Invoice Date

October 19, 2022

### Print Services

1260 West Main Street, Rm 151  
Whitewater, WI 53190  
(262) 472-1002

900-56500-223  
marketing  
BGM  
10/25/2022

To: City of Whitewater  
312 W Whitewater Street  
PO Box 178  
Whitewater, WI 53190

Tax Exempt #		
Description		Amount
	50- Twelve2 marketing printout (11x17 color)- (10-13-22)- By Bonnie Miller	45.68

Sub Total	45.68
Sales Tax	
<b>TOTAL DUE</b>	<b>45.68</b>
<b>Due Date</b>	<b>11/18/22</b>

-----  
Please detach and return this portion with your payment.

PS City of Whitewater

City of Whitewater

10/19/22

Invoice #

37373

45.68

Payment Amount \_\_\_\_\_

Make check payable to: UW-Whitewater  
Send payment to:

UW Whitewater  
Cashier's Office  
P.O. Box 88  
Whitewater, WI 53190



Attorneys At Law  
 50 N. Michigan Ave. Suite 3300  
 Chicago, IL 60601  
 312.894.3200 TEL 312.891.3210 FAX  
 Tax I.D. No. 36-4189382  
 EMAIL: AllChicagoAccounting@SmithAmundsen.com

September 9, 2022

Executive Director  
 City of Whitewater Community Development Authority  
 312 W. Whitewater St.  
 Whitewater, WI 53190

Invoice No. 688605  
 Matter No. 3051235  
 Client No. 17253-000  
 Billing Attorney JJW  
 Page 2

RE: Whitewater Community Development Authority-Economic Development

Represent: City of Whitewater Community Development Authority

For legal services rendered through August 31, 2022

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description</u>
08/02/22	J. Wawrzyn	0.20	Correspond with Steve Hatton regarding 806 E. Commercial loan.
8/03/22	J. Wawrzyn	1.00	Develop updated closing documents for 806 Commercial loan; correspond with Steve Hatton regarding the same.
08/04/22	J. Wawrzyn	0.30	Correspond with Bonnie Miller regarding updated mortgage regarding 806 Commercial closing.

**Total Hours This Invoice** 1.50

**Total Fees This Invoice** \$375.00

Timekeeper Summary

<u>Timekeeper</u>	<u>Initials</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James J. Wawrzyn	JJW	1.50	250.00	375.00

TO FINANCE 10/25/2022



**Invoice**  
Invoice Number  
37373

Invoice Date  
October 19, 2022

Print Services  
1260 West Main Street, Rm 151  
Whitewater, WI 53190  
(262) 472-1002

900-56500-223  
marketing  
BGM  
10/25/2022

To: City of Whitewater  
312 W Whitewater Street  
PO Box 178  
Whitewater, WI 53190

Tax Exempt #	
Description	Amount
50- Twelve2 marketing printout (11x17 color)- (10-13-22)- By Bonnie Miller	45.68

Sub Total 45.68  
Sales Tax  
**TOTAL DUE 45.68**  
Due Date 11/18/22

-----  
Please detach and return this portion with your payment.

PS City of Whitewater                      City of Whitewater  
10/19/22              Invoice #              37373                      45.68                      Payment Amount \_\_\_\_\_

Make check payable to: UW-Whitewater  
Send payment to:

UW Whitewater  
Cashier's Office  
P.O. Box 88  
Whitewater, WI 53190

**CITY OF WHITEWATER  
BALANCE SHEET  
OCTOBER 31, 2022**

**ECONOMIC DEVELOPMENT FUND**

		BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>					
900-11100	CASH	2,924.91	60,832.09	67,685.63	70,610.54
900-19000	GASB 68-WRS NET PENSION ASSETS	27,755.39	.00	.00	27,755.39
900-19021	GASB 68-WRS DOR	45,943.68	.00	.00	45,943.68
900-19999	GASB 68-PENSION CLEARING ACCT	( 10,378.68)	.00	.00	( 10,378.68)
TOTAL ASSETS		66,245.30	60,832.09	67,685.63	133,930.93
<u>LIABILITIES AND EQUITY</u>					
<u>LIABILITIES</u>					
900-21100	ACCOUNTS PAYABLE	1,852.01	.00 (	1,852.01)	.00
900-21106	WAGES CLEARING	3,551.84	.00 (	3,551.84)	.00
900-25100	DUE TO GENERAL FUND	1,496.38	.00 (	1,496.38)	.00
900-29011	GASB 68-WRS DIR	60,841.45	.00	.00	60,841.45
TOTAL LIABILITIES		67,741.68	.00 (	6,900.23)	60,841.45
<u>FUND EQUITY</u>					
900-34300	PROPRIETARY CAPITAL	( 1,496.38)	.00	.00 (	1,496.38)
UNAPPROPRIATED FUND BALANCE:					
REVENUE OVER EXPENDITURES - YTD		.00	60,832.09	74,585.86	74,585.86
BALANCE - CURRENT DATE		.00	60,832.09	74,585.86	74,585.86
TOTAL FUND EQUITY		( 1,496.38)	60,832.09	74,585.86	73,089.48
TOTAL LIABILITIES AND EQUITY		66,245.30	60,832.09	67,685.63	133,930.93

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2022**

**CDA PROGRAMS FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>ACTION LOAN REVENUE</u>					
910-46001-00 INT INC-ACTION-LRN DEPOT \$41K	97.09	1,060.20	.00	( 1,060.20)	.0
910-46003-00 INT INC-ACTION-BIKEWISE \$23K	100.96	535.54	.00	( 535.54)	.0
910-46004-00 INT INC-ACTION-MEEPER \$97K	.00	1,414.85	.00	( 1,414.85)	.0
910-46005-00 INT INC-ACTION-MEEPER \$82K	.00	1,232.29	.00	( 1,232.29)	.0
910-46006-00 INT INC-ACTION-BLUELINE \$34K	90.26	959.50	.00	( 959.50)	.0
910-46007-00 INT INC-ACTION-BLUELINE \$45K	121.29	983.36	.00	( 983.36)	.0
910-46008-00 INT INC-ACTION-SAFEPRO \$100K	.00	200.00	.00	( 200.00)	.0
<b>TOTAL ACTION LOAN REVENUE</b>	<b>409.60</b>	<b>6,385.74</b>	<b>.00</b>	<b>( 6,385.74)</b>	<b>.0</b>
<u>MISCELLANEOUS REVENUE</u>					
910-48103-00 INTEREST INCOME-FACADE	96.40	316.18	.00	( 316.18)	.0
910-48104-00 INTEREST INCOME-HOUSING	27.23	89.61	.00	( 89.61)	.0
910-48108-00 INTEREST INCOME-SEED FUND	.24	1.55	.00	( 1.55)	.0
910-48109-00 INTEREST INCOME-ACTION FUND	1,872.89	5,036.39	.00	( 5,036.39)	.0
910-48605-00 RENTAL INCOME-CROP LEASES	.00	14,875.50	.00	( 14,875.50)	.0
910-48680-00 ADMINISTRATION FEE-LOANS	.00	2,770.00	.00	( 2,770.00)	.0
910-48700-00 GAIN ON SALE OF LAND	.00	250,547.55	.00	( 250,547.55)	.0
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>1,996.76</b>	<b>273,636.78</b>	<b>.00</b>	<b>( 273,636.78)</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>2,406.36</b>	<b>280,022.52</b>	<b>.00</b>	<b>( 280,022.52)</b>	<b>.0</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 10 MONTHS ENDING OCTOBER 31, 2022**

**CDA PROGRAMS FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>CDA PROGRAMS</u>					
910-56500-212 LEGAL/PROFESSIONAL/MARKETING	2,225.00	12,250.00	.00	( 12,250.00)	.0
910-56500-219 PROFESSIONAL SERVICES	.00	8,981.54	.00	( 8,981.54)	.0
910-56500-295 ADMINISTRATIVE EXPENSE	.00	3,500.00	.00	( 3,500.00)	.0
910-56500-323 MARKETING/AD'S	.00	211.56	.00	( 211.56)	.0
910-56500-401 BUSINESS PARK DEVELOP EXP	.00	27,291.35	.00	( 27,291.35)	.0
910-56500-404 HOUSING LOANS	.00	40.00	.00	( 40.00)	.0
910-56500-408 RENTAL EXPENSES	80.00	253,127.85	.00	( 253,127.85)	.0
<b>TOTAL CDA PROGRAMS</b>	<b>2,305.00</b>	<b>305,402.30</b>	<b>.00</b>	<b>( 305,402.30)</b>	<b>.0</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>2,305.00</b>	<b>305,402.30</b>	<b>.00</b>	<b>( 305,402.30)</b>	<b>.0</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>101.36</b>	<b>( 25,379.78)</b>	<b>.00</b>	<b>25,379.78</b>	<b>.0</b>

910-11600 HOUSING RLF / XXX553	Total Deposit	Debit	910-11600	
HO# 1 Payment	Principal	Credit	910-14027	
HO# 11 Payoff	Principal	Credit	910-14037	
910-11800 ACTION-BUSINESS DEV / XXX	Total Deposit	Credit	910-11800	4,014.60
PAUQUETTE CENTER LOAN RECV	PrincipAL	Debit	910-13500	(1,289.52) ACH PYMT 10-05-2022
ACTION-BIKEWISE-\$23,099	Principal	Credit	910-13503	(899.04) CHECK 10723 10-04-2022
INT INC-ACTION-BIKEWISE \$23K	Interest	Credit	910-46003-00	(100.96) CHECK 10723 10-04-2022
ACTION-BLUE LINE \$34,520	Principal	Credit	910-13506	(367.50) ACH PYMT 10-06-2022
INT INC-ACTION-BLUELINE \$34K	Interest	Credit	910-46006-00	(90.26) ACH PYMT 10-06-2022
ACTION-BLUE LINE \$45,457	Principal	Debit	910-13507	(447.98) ACH PYMT 10-11-2022
INT INC-ACTION-BLUELINE \$45K	Interest	Credit	910-46007-00	(121.29) ACH PYMT 10-11-2022
ACTION-MEEPER TECH-\$97,907	Principal	Credit	910-13504	REQUESTED TO HAVE ALL PAYMENTS STOPPED
INT INC-ACTION-MEEPER \$97K	Interest	Credit	910-46004-00	REQUESTED TO HAVE ALL PAYMENTS STOPPED
ACTION-MEEPER-\$82,310	Principal	Credit	910-13505	REQUESTED TO HAVE ALL PAYMENTS STOPPED
INT INC-ACTION-MEEPER \$82K	Interest	Credit	910-46005-00	REQUESTED TO HAVE ALL PAYMENTS STOPPED
ACTION-LEARNING DEPOT \$41,294	Principal	Credit	910-13501	(600.96) ACH PYMT 10-03-2022
INT INC-ACTION-LRN DEPOT \$41K	Interest	Credit	910-46001-00	(97.09) ACH PYMT 10-03-2022
ACTION-SAFEPRO TECH \$100K	Principal	Credit	910-13509	
INT INC-ACTION-SAFEPRO \$100K	Interest	Credit	910-46008-00	
910-11900-CAP CATALYST-ASSOC. BANK	Total Deposit	Credit	910-11900	
BLUE LINE BATTERY \$64,614 K	Interest	Credit	910-43015	
LEGAL/PROFESSIONAL/MARKETING			910-56500-212	2,150.00 MILK ADVISORY BOARD LEGAL
MARKETING/AD'S			910-56500-323	155.00 206 E CRAVATH ST LEGAL
LAND			910-18350	10,000.00 KUTZ, ROGER & CHRISTINE-HOSPITAL HILL LAND
ACTION-LAND PURCHASE-XXX127			910-11801	(12,305.00)

**CITY OF WHITEWATER  
BALANCE SHEET  
OCTOBER 31, 2022**

**CDA PROGRAMS FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>LIABILITIES</u>				
910-22000 ACCUM DEPREC-BUILDING	1,343,994.20	.00	.00	1,343,994.20
910-25100 DUE TO GENERAL FUND	1,247.43	.00 (	1,247.43)	.00
<b>TOTAL LIABILITIES</b>	<b>1,345,241.63</b>	<b>.00 (</b>	<b>1,247.43)</b>	<b>1,343,994.20</b>
<u>FUND EQUITY</u>				
910-30110 CONTRIBUTED CAPITAL	456,815.37	.00	.00	456,815.37
910-34300 PROPRIETARY CAPITAL	6,903,406.99	.00 (	127,923.00)	6,775,483.99
910-34400 RESERVE FOR LAND PURCHASES	110,108.94	.00	127,923.00	238,031.94
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	101.36 (	25,379.78)	( 25,379.78)
<b>BALANCE - CURRENT DATE</b>	<b>.00</b>	<b>101.36 (</b>	<b>25,379.78)</b>	<b>( 25,379.78)</b>
<b>TOTAL FUND EQUITY</b>	<b>7,470,331.30</b>	<b>101.36 (</b>	<b>25,379.78)</b>	<b>7,444,951.52</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,815,572.93</b>	<b>101.36 (</b>	<b>26,627.21)</b>	<b>8,788,945.72</b>

**CITY OF WHITEWATER  
BALANCE SHEET  
OCTOBER 31, 2022**

**CDA PROGRAMS FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11600 CDBG-HOUSING CHK-1CSB XXX450	17,955.87	27.23 (	4,235.39)	13,720.48
910-11702 FACADE CKING-1ST CIT- XXX442	48,253.83	96.40	316.18	48,570.01
910-11800 ACTION-BUS DEV-BUS PARK-XXX127	628,512.96	5,887.49 (	147,185.48)	481,327.48
910-11801 ACTION-LAND PURCHASE-XXX127	110,108.94 (	12,305.00)	349,601.00	459,709.94
910-11806 ACTION-DONATIONS (CEV)-XXX127	3,500.00	.00 (	3,500.00)	.00
910-11900 CAP CAT-ASSOC BK XXXXX3734	1,108.49	.24	1.55	1,110.04
910-13500 PAUQUETTE CENTER LOAN RECV	142,845.76 (	1,289.52) (	12,895.20)	129,950.56
910-13501 ACTION-LEARNING DEPOT \$41,294	34,445.39 (	600.96) (	5,920.30)	28,525.09
910-13503 ACTION-BIKEWISE-\$23,099	17,037.59 (	899.04) (	10,365.83)	6,671.76
910-13504 ACTION-MEEPER TECH-\$97,907	86,916.90	.00 (	5,125.27)	81,791.63
910-13505 ACTION-MEEPER-\$82,310	74,833.58	.00 (	3,019.09)	71,814.49
910-13506 ACTION-BLUE LINE \$34,520	30,178.83 (	367.50) (	3,464.71)	26,714.12
910-13507 ACTION-BLUE LINE \$45,457	40,802.73 (	447.98) (	4,862.73)	35,940.00
910-13508 ACTION-FINE FOOD ARTS \$31,810	30,000.00	.00	.00	30,000.00
910-13509 ACTION-SAFEPRO TECH \$100K	.00	.00	100,000.00	100,000.00
910-13510 ACTION-SWSPOT/GILDEMEISTER 54K	.00	.00	54,000.00	54,000.00
910-13999 ACTION LOAN-LOAN LOSS RESERVE (	53,273.32)	.00	.00 (	53,273.32)
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	.00	.00	4,235.00	4,235.00
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
910-15004 CAP CAT-MEEPER TECH-\$102,000	102,000.00	.00	.00	102,000.00
910-15006 CAP CAT- ROYAL-INVENT-27.5K	27,500.00	.00	.00	27,500.00
910-15011 CAP CAT-ROYAL-SCANALYTICS-95K	97,500.00	.00	.00	97,500.00
910-15012 CAP CAT-ROYAL-INVENTALATOR-75K	77,500.00	.00	.00	77,500.00
910-15015 CAP CAT-BLUELINE BATT-\$64,614	64,614.00	.00	.00	64,614.00
910-15017 CAP CAT-BLUELINE BATT \$36,600	36,600.00	.00	.00	36,600.00
910-15018 CAP CAT-RECRUITCHUTE \$51,050	51,050.00	.00	.00	51,050.00
910-16008 FACADE-BOWERS HOUSE LLC \$50K	.00	.00	50,000.00	50,000.00
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)
910-18100 DUE FROM GENERAL FUND	50,000.00	.00 (	50,000.00)	.00
910-18350 LAND	481,816.32	10,000.00 (	196,644.79)	285,171.53
910-18360 REAL ESTATE	6,225,556.15	.00 (	137,562.15)	6,087,994.00
<b>TOTAL ASSETS</b>	<b>8,815,572.93</b>	<b>101.36 (</b>	<b>26,627.21)</b>	<b>8,788,945.72</b>

LIABILITIES AND EQUITY

ACTION FUND		ORIGINAL	09/30/2022				10/31/2022		10/31/2022		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance			
910-13500	PAUQUETTE CENTER LOAN REC	\$88,660.00	\$131,240.08	1,289.52	0.00	1,289.52	\$129,950.56	\$129,950.56	\$0.00	Current	
910-13501	ACTION-LEARNING DEPOT \$41,294	\$41,294.63	\$29,126.05	600.96	97.09	698.05	\$28,525.09	\$28,525.09	\$0.00	Current	
910-13502	ACTION-IBUTTONLINK \$9,682	\$9,682.42	\$0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00	Loan Satisfied 07-27-2021	
910-13503	ACTION-BIKewise-\$23,099	\$23,099.36	\$7,570.80	899.04	100.96	1,000.00	\$6,671.76	\$6,671.76	\$0.00	Current	
910-13504	ACTION-MEEPER TECH-\$97,907	\$97,907.69	\$81,791.63	0.00	0.00	0.00	\$81,791.63	\$81,791.63	\$0.00	Current	
910-13505	ACTION-MEEPER-\$82,310	\$82,310.00	\$71,814.49	0.00	0.00	0.00	\$71,814.49	\$71,814.49	\$0.00	Current	
910-13506	ACTION-BLUE LINE \$34,520	\$34,520.75	\$27,081.62	367.50	90.26	457.76	\$26,714.12	\$26,714.12	\$0.00	Current	
910-13507	ACTION-BLUE LINE \$45,457	\$45,457.82	\$36,387.98	447.98	121.29	569.27	\$35,940.00	\$35,940.00	\$0.00	Current	
910-13508	ACTION-FINE FOOD ARTS \$31,810	\$30,000.00	\$30,000.00	0.00	0.00	0.00	\$30,000.00	\$30,000.00	\$0.00	New loan Dec 2021	
910-13509	ACTION-SAFEPRO TECH \$100K	\$104,940.00	\$100,000.00	0.00	0.00	0.00	\$100,000.00	\$100,000.00	\$0.00	New loan April 2022	
910-13510	ACTION-SWSPOT/GILDEMEISTER 54K	\$54,000.00	\$54,000.00	0.00	0.00	0.00	\$54,000.00	\$54,000.00	\$0.00	New loan June 2022	
910-17002	UDAG-SLIPSTREAM-LOC	\$12,500.00	\$12,500.00	0.00	0.00	0.00	\$12,500.00	\$12,500.00	\$0.00		
<b>TOTALS</b>		<b>\$624,372.67</b>	<b>\$584,213.91</b>	<b>\$3,605.00</b>	<b>\$409.60</b>	<b>\$4,014.60</b>	<b>\$577,907.65</b>	<b>\$577,907.65</b>	<b>\$0.00</b>		
910-13999	ACTION LOAN-LOAN LOSS RESERVE		(\$53,273.32)	0.00	0.00	0.00	(\$53,273.32)	(\$53,273.32)			
910-17999	UDAG-LOAN LOSS RESERVE		(\$12,500.00)	0.00	0.00	0.00	(\$12,500.00)	(\$12,500.00)			

FAÇADE LOAN		ORIGINAL	09/30/2022				10/31/2022		10/31/2022		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance			
910-16008	FAÇADE-BOWERS HOUSE LLC \$50K	-	50,000.00	-	-	-	50,000.00	50,000.00	-	New loan April 2022	
<b>TOTALS \$</b>		<b>-</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>		

CAPITAL CATALYST		ORIGINAL	09/30/2022				10/31/2022		10/31/2022		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance			
910-15000	CAP CAT-SLIPSTREAM-\$102,500	\$102,500.00	\$102,500.00	0.00	0.00	0.00	\$102,500.00	\$102,500.00	\$0.00	interest only	
910-15003	CAP CAT-SLIPSTREAM-\$42,000	\$42,000.00	\$42,000.00	0.00	0.00	0.00	\$42,000.00	\$42,000.00	\$0.00	annual net revenue royalty-no payments have been received.	
910-15004	CAP CAT-MEEPER TECH-\$102,000	\$102,000.00	\$102,000.00	0.00	0.00	0.00	\$102,000.00	\$102,000.00	\$0.00	annual net revenue royalty-no payments have been received.	
910-15006	CAP CAT- ROYAL-INVENT-27.5K	\$27,500.00	\$27,500.00	0.00	0.00	0.00	\$27,500.00	\$27,500.00	\$0.00	annual net revenue royalty-no payments have been received.	
910-15011	CAP CAT-ROYAL-SCANALYTICS-95K	\$97,500.00	\$97,500.00	0.00	0.00	0.00	\$97,500.00	\$97,500.00	\$0.00	annual net revenue royalty-first payment due October 2016	
910-15012	CAP CAT-ROYAL-INVENTALATOR-75K	\$77,500.00	\$77,500.00	0.00	0.00	0.00	\$77,500.00	\$77,500.00	\$0.00	First payment received 08-21-2018	
910-15015	CAP CAT-BLUELINE BATT-\$64,614	\$64,614.00	\$64,614.00	0.00	0.00	0.00	\$64,614.00	\$64,614.00	\$0.00		
910-15017	CAP CAT-BLUELINE BATT \$36,600	\$36,600.00	\$36,600.00	0.00	0.00	0.00	\$36,600.00	\$36,600.00	\$0.00		
910-15018	CAP CAT-RECRUITCHUTE \$51,050	\$51,050.00	\$51,050.00	0.00	0.00	0.00	\$51,050.00	\$51,050.00	\$0.00		
<b>TOTALS</b>		<b>\$601,264.00</b>	<b>\$601,264.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$601,264.00</b>	<b>\$601,264.00</b>	<b>\$0.00</b>	<b>NOTES</b>	
910-15999	CAP CAT-LOAN LOSS RESERVE		\$0.00					\$0.00			

HOUSING		ORIGINAL	09/30/2022				10/31/2022		10/31/2022		NOTES
ACCT #	CLIENT	LOAN	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE	GL Balance			
910-14000	CDBG HOUSING-MO301	\$8,220.00	\$8,220.00	0.00	0.00	0.00	\$8,220.00	\$8,220.00	\$0.00	Current	
910-14001	CDBG HOUSING-A8416	\$10,203.84	\$10,203.84	0.00	0.00	0.00	\$10,203.84	\$10,203.84	\$0.00		
910-14003	CDBG HOUSING-B935	\$18,420.02	\$18,420.02	0.00	0.00	0.00	\$18,420.02	\$18,420.02	\$0.00		
910-14006	CDBG HOUSING-C932	\$8,062.00	\$8,062.00	0.00	0.00	0.00	\$8,062.00	\$8,062.00	\$0.00		
910-14009	CDBG HOUSING-J8802	\$10,818.00	\$10,818.00	0.00	0.00	0.00	\$10,818.00	\$10,818.00	\$0.00		
910-14011	CDBG HOUSING-M8501	\$11,000.90	\$11,000.90	0.00	0.00	0.00	\$11,000.90	\$11,000.90	\$0.00		
910-14013	CDBG HOUSING-P954	\$11,000.00	\$11,000.00	0.00	0.00	0.00	\$11,000.00	\$11,000.00	\$0.00		
910-14016	CDBG HOUSING-V902	\$12,504.15	\$12,504.15	0.00	0.00	0.00	\$12,504.15	\$12,504.15	\$0.00		
910-14025	CDBG HOUSING-M0801	\$18,422.00	\$18,422.00	0.00	0.00	0.00	\$18,422.00	\$18,422.00	\$0.00		
910-14026	CDBG HOUSING-B0803-0901	\$34,448.00	\$34,448.00	0.00	0.00	0.00	\$34,448.00	\$34,448.00	\$0.00		
910-14030	CDBG HOUSING-HO#13-2016	\$8,000.00	\$8,000.00	0.00	0.00	0.00	\$8,000.00	\$8,000.00	\$0.00		
910-14031	CDBG HOUSING-HO#4	\$37,795.00	\$37,795.00	0.00	0.00	0.00	\$37,795.00	\$37,795.00	\$0.00		
910-14038	CDBG HOUSING-HO#14	\$14,671.00	\$18,000.00	0.00	0.00	0.00	\$18,000.00	\$18,000.00	\$0.00		
910-14039	CDBG HOUSING-HO#15	\$21,090.00	\$36,815.00	0.00	0.00	0.00	\$36,815.00	\$36,815.00	\$0.00		
910-14040	CDBG HOUSING-HO#18	\$4,235.00	\$4,235.00	0.00	0.00	0.00	\$4,235.00	\$4,235.00	\$0.00		
<b>TOTALS</b>		<b>\$228,889.91</b>	<b>\$247,943.91</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$247,943.91</b>	<b>\$247,943.91</b>	<b>\$0.00</b>		
910-14999	CDBG HOUSING-LOAN LOSS RESERVE		\$0.00					\$0.00			
910-35000	GENERAL LOAN LOSS RESERVE		\$0.00					\$0.00			

Account Name	CDA Operating	Action Bus Dev (UDAG) Checking	Facade 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	2.03%	2.03%	2.03%	2.03%	0.25%
GL Account Number(s)	900-11100	910-11800 910-11801 910-11806	910-11702	910-11600	910-11900
<b>GL Balance as of:</b>					
11/30/2021	11,388.64	771,188.32	98,248.16	17,954.75	1,108.40
12/31/2021	2,924.91	742,121.90	48,253.83	17,955.87	1,108.49
01/31/2022	36,142.50	778,017.79	48,256.47	17,906.85	1,108.58
02/28/2022	19,109.24	801,151.59	48,259.16	13,997.64	1,108.67
03/31/2022	8,172.91	896,389.22	48,262.70	13,998.67	1,108.76
04/30/2022	41,737.78	548,362.38	48,267.82	13,635.13	1,108.85
05/31/2022	29,441.85	537,221.02	48,278.66	13,638.19	1,108.94
06/30/2022	24,425.41	474,394.36	48,299.88	13,644.18	1,109.09
07/31/2022	18,673.95	476,879.17	48,332.72	13,653.46	1,109.33
08/31/2022	12,479.29	944,815.37	48,393.66	13,670.67	1,109.57
09/30/2022	9,778.45	947,454.93	48,473.61	13,693.25	1,109.80
10/31/2022	70,610.54	941,037.42	48,570.01	13,720.48	1,110.04
<b>Outstanding items</b>					
<b>Current Bank Balance</b>	<b>70,610.54</b>	<b>941,037.42</b>	<b>48,570.01</b>	<b>13,720.48</b>	<b>1,110.04</b>
<b>Difference:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

**October 2022 Interest Income**

ACTION-BUS DEV-BUS PARK-XXX127	910-11800	1,872.89	October 2022 Interest Income
FACADE CKING-1ST CIT- XXX442	910-11702	96.40	October 2022 Interest Income
CDBG-HOUSING CHK-1CSB XXX450	910-11600	27.23	October 2022 Interest Income
CAP CAT-ASSOC BK XXXXX3734	910-11900	0.24	October 2022 Interest Income
INTEREST INCOME-ACTION FUND	910-48109-00	(1,872.89)	October 2022 Interest Income
INTEREST INCOME-FACADE	910-48103-00	(96.40)	October 2022 Interest Income
INTEREST INCOME-HOUSING	910-48104-00	(27.23)	October 2022 Interest Income
INTEREST INCOME-SEED FUND	910-48108-00	(0.24)	October 2022 Interest Income



## CDA Agenda Item

Meeting Date: 11-17-2022

Agenda Item: Action Item 5(a)

Staff Contact (name, email, phone): John Weidl, City Manager  
[jweidl@whitewater-wi.gov](mailto:jweidl@whitewater-wi.gov)  
262-473-0104

### BACKGROUND

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

Loan Agreement was entered into between the Community Development Authority and Fine Food Arts LLC/Jay Stinson (d/b/a Black Sheep) dated December 29, 2021 in the principal amount of \$30,000 at a rate of 5% per annum with the first payment due 18 months following closing. This Action Fund Loan is evidenced by a Promissory Note in the amount of \$31,810 (consisting of \$30,000 principal + \$300 loan origination fee + \$1,510 attorney's fee). Additional closing documents include a General Business Security Agreement and Personal Guaranty. Fine Food Arts LLC is currently in the process of liquidating the business. UCC-1 Financing Statement was not filed by the City at the time of closing; upon the direction of Attorney McDonell (see below), a UCC-1 was filed on 11/8/2022; DFI records reflect the CDA would be behind First Citizens State Bank and Tyler Sailsbery.

### PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

Staff referred this matter to City Attorney McDonell on 11/8/2022 who offered the following opinion:

I reviewed the loan documents and it is my opinion that the borrower is in breach of the agreement (see for example section 13 of the loan agreement). It is my recommendation that the CDA immediately file a UCC-1 Financing Statement and send the debtor a notice that the CDA is declaring that all sums payable under the note are immediately due and payable (thereby accelerating the payments due).

The CDA should also consider filing a lawsuit against him personally and against the business to obtain a judgment against them. Before that is done, I recommend that there be some investigation as to how many creditors may be ahead of the CDA already to make sure they are not incurring attorney fees and costs with no reasonable chance of recovery.

I can do all or some of the above as requested.

Wally

### FINANCIAL IMPACT

(If none, state N/A)

Loss of \$31,810 + potential legal fees associated with collection.

### STAFF RECOMMENDATION

Direct Attorney McDonell to proceed with collection actions as appropriate.

### ATTACHMENT(S) INCLUDED

(If none, state N/A)

---

Loan Agreement  
Promissory Note  
Personal Guaranty  
UCC-1 Financing Statement

---

## PROMISSORY NOTE

\$31,810.00

December 29, 2021

THIS PROMISSORY NOTE is made by FINE FOOD ARTS LLC, a Wisconsin limited liability company (the "Maker"), to the Community Development Authority of the City of Whitewater, Wisconsin (the "CDA") this 29th day of December, 2021 ("Closing Date").

1. Maker hereby promises to pay to the order of the CDA, at such place as the CDA may from time to time direct, the principal sum of Thirty-One Thousand Eight Hundred Ten and no/100 Dollars U.S. (\$31,810.00), together with interest at the rate or rates hereinafter specified as follows:

(a) Subject to the interest rate and related adjustment provisions set forth in the Loan Agreement referred to in paragraph 2 below, this Note shall bear interest on the disbursed and un-repaid principal balance before maturity at the rate of 5.0% per annum. Principal and interest shall be due and payable as follows:

(i) principal and interest shall be due and payable in forty-two (42) equal monthly installments of principal and interest of \$951.72, with the first such installment being due and payable eighteen (18) months following the Closing Date, and with subsequent installments being due and payable on the same day of each succeeding month thereafter, plus

(ii) a final payment equal to the remaining un-repaid balance of principal plus interest which shall be due and payable sixty (60) months from the Closing Date.

(b) Interest, prior to maturity, shall be computed for the number of days principal is unpaid on the basis of a 360-day year, treating each month as having thirty (30) days and disregarding the actual length of months and years; notwithstanding the foregoing, any installment received within ten (10) days of its due date shall be considered to have been paid and received on its due date for interest calculation purposes.

(c) All unpaid interest and accrued interest shall bear interest after maturity of this Note, whether occurring through lapse of time or acceleration, at a rate of 7.50% per annum until paid in full.

(d) Full or partial prepayment of this Note is permitted at any time without penalty.

(e) All payments made under this Note and/or under the Loan Agreement between Maker and the CDA, whether received from or on behalf of Maker or received pursuant to any security agreement or other agreement securing the obligations of Maker under this Agreement shall be applied in such manner as the CDA determines to interest, principal and other payments due under this Note, the Loan Agreement and/or any security agreement or other agreement securing performance of the obligations of Maker to the CDA.

~~2.~~ The terms and provisions of the written Loan Agreement between the Maker and the CDA bearing even date herewith are incorporated by reference into this Note as if fully set forth herein.

3. Presentment, protest, demand and notice of dishonor are waived. Without affecting the liability of Maker or any guarantor of performance of Maker's obligations to the CDA, the CDA may, without notice, grant renewals or extensions, accept partial payments, release or impair any collateral security for the payment of this Note and/or the performance of Maker's obligations to the CDA and/or agree not to sue any party liable to the CDA. Maker agrees to pay all costs of collection and enforcement, including to the extent not prohibited by law, reasonable attorneys' fees.

4. Maker hereby acknowledges receipt of a completed copy of this Note.

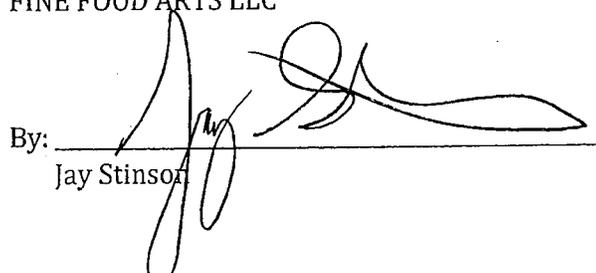
5. The terms and provisions of this Note are binding upon Maker, its successors and assigns, and inure to the benefit of the CDA, its successor and assigns.

MAKER:

FINE FOOD ARTS LLC

By: \_\_\_\_\_

Jay Stinson



**PERSONAL GUARANTY  
(FINE FOOD ARTS LLC)**

The undersigned, Jay Stinson ("Guarantor"), for value received, and to induce the Community Development Authority of the City of Whitewater, Wisconsin ("Lender") to extend credit to FINE FOOD ARTS LLC ("Obligor"), hereby jointly and severally guarantee full and timely:

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

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

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

The Obligation subject to this Guaranty is the indebtedness evidenced by a note or agreement payable to Lender dated December 29, 2021 executed by Obligor in the principal amount of \$31,810.00 and the obligations of Obligor under and/or provided for in the Loan Agreement dated December 29, 2021, between Obligor and Lender, plus interest, charges, fees and costs provided for in the note, agreement or any agreement securing either, and any extensions, renewals, deferrals, modifications or consolidations of any of the foregoing.

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

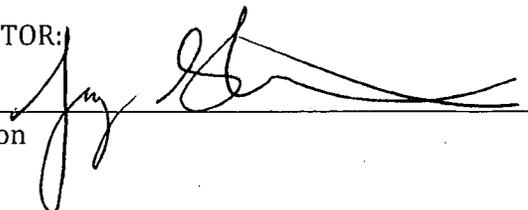
Guarantor acknowledges and agrees that Lender (a) has not made any representations or warranties with respect to, (b) does not assume any responsibility to Guarantor for, and (c) has no duty to provide information to Guarantor regarding, the enforceability of any of the Obligations or the financial condition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

The undersigned, Jay Stinson, hereby warrants and represents to the Community Development Authority of the City of Whitewater, Wisconsin that he resides at [INSERT GUARANTOR'S ADDRESS], 210 W Whitewater St Whitewater, WI 53190

Dated December 29, 2021

GUARANTOR:

Jay Stinson



ACKNOWLEDGMENT

STATE OF WISCONSIN )  
 )SS  
COUNTY OF WALWORTH )

Personally came before me this 29 day of December, 2021, the above named Jay Stinson, to me known or satisfactorily proven to be the person who executed the foregoing instrument and acknowledged the same.



Michelle I. Bucholtz, Notary Public

Walworth County, State of Wisconsin

My commission expires: 1/16/2024

**LOAN AGREEMENT BETWEEN COMMUNITY DEVELOPMENT AUTHORITY  
OF THE CITY OF WHITEWATER, WISCONSIN, LENDER, AND  
FINE FOOD ARTS LLC, BORROWER**

WHEREAS, the Community Development Authority of the City of Whitewater, Wisconsin (hereinafter referred to as the "CDA") maintains a revolving loan fund (said funds being repaid proceeds of loans heretofore made under Economic Development Loan Program Urban Development Action Grant) for purposes of economic development loans; and

WHEREAS, FINE FOOD ARTS LLC, a Wisconsin limited liability company (hereinafter referred to as the "Company") is a company engaged in the operation of a restaurant, having its business operations at leased facilities located at 201 W. Whitewater Street, in the City of Whitewater, Walworth County, Wisconsin (the "Facility"), and in order to fund a portion of the costs incurred by the Company to maintain operations (the "Business Development Costs") at the Company's Facility located in the City of Whitewater, Walworth County, Wisconsin, the Company has applied to the CDA for a loan to the Company; and

WHEREAS, the development and operation of the Company's business at the Facility in the City of Whitewater is expected to result in the creation of at least one (1) additional Full-Time Job with the Company solely at the Company's Facility in the City of Whitewater; and

WHEREAS, the CDA is willing to extend a \$30,000.00 loan to the Company under the CDA's Economic Development Loan Program, subject to and on the terms and conditions hereinafter set forth in -this Agreement, to be utilized by the Company to fund a portion of Business Development Costs for the Company's business at the Facility in the City of Whitewater, and the Company is willing to borrow said funds from the CDA for such purposes and on the terms and conditions hereinafter set forth in this Loan Agreement.

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

1. Incorporation of Recitals. The foregoing recitals are incorporated herein by reference as material provisions of this Agreement.
2. Loan. The loan to be made by the CDA to the Company shall be on the terms hereinafter set forth and shall be subject to the terms and conditions provided for in this Agreement.
  - (a) The CDA will loan to the Company the total sum of \$30,000.00, and, in addition, if requested by the Company, will loan to the Company at the time of closing the 1% (\$300.00) loan administration fee payable to the CDA from the Company, plus an amount equal to the CDA's actual legal fees and costs associated with closing of the loan, which amount the Company is required to pay at closing to the CDA as reimbursement for said fees and costs as provided for below (said \$30,000.00 loan amount, plus said loan administration fee and loan costs, if the Company elects to include such additional amounts as part of the loan, is hereinafter

referred to as the "Total Principal Amount" of the loan). At the time of closing of this loan, the Company shall execute and deliver to the CDA, a promissory note in form and substance set forth in the promissory note attached hereto as Exhibit A (the "Note") and incorporated herein by reference which provides for repayment of the disbursed and un-repaid principal balance of the loan, together with interest (subject to adjustment as provided for in this Agreement), prior to maturity, at the rate of five percent (5.0%) per annum on the disbursed and un-repaid principal balance from time to time outstanding as follows:

- (i) Principal and interest shall be due and payable in forty-two (42) equal monthly installments of principal and interest (with the amount of said monthly installments to be inserted in the Note prior to execution at closing, with such installments being calculated and determined based upon the Total Principal Amount, said five percent (5.0%) interest rate, and a five (5) year amortization period), with the first such installment being due and payable eighteen (18) months following the date of closing, and with subsequent installments being due and payable on the same day of each succeeding month thereafter, plus
- (iii) a final payment equal to the remaining un-repaid balance of principal plus interest which shall be due and payable sixty (60) months from the date of the Note (the "Final Maturity Date"), with the Total Principal Amount of the loan, and the date of execution and all payment due dates to be inserted in the Note prior to execution at closing based upon the Total Principal Amount of the loan, and with the date of execution and all payment due dates to be inserted in the Note prior to execution at closing based upon the actual date of closing.

Interest, prior to maturity, shall be computed for the number of days disbursed principal is unpaid on the basis of a 360-day year, treating each month as having thirty (30) days and disregarding the differences in lengths of months and years. Notwithstanding the foregoing, any monthly installment of principal and interest received within ten (10) days of its due date shall be considered to have been paid and received on such due date for interest calculation purposes. For purposes of illustration, assuming the date of execution of the loan closing documents were December 29, 2021, and further assuming the Company elected to include in the loan the \$300.00 loan administration fee, and further assuming that the Company elected to include in the loan the legal costs and expenses of the CDA which the Company is required to reimburse to the CDA and that such costs and expenses were \$1,510.00, and further assuming that all job creation/maintenance requirements are complied with, as provided for under this Agreement and, therefore, no adjustments to the interest rate are required due to failure to create or maintain Full-Time Jobs under this Agreement, and assuming that no repayments are made on the loan, and further assuming that the Company has not otherwise defaulted in the performance of its obligations to be kept and

performed under this Agreement and the loan closing documents, and further assuming that the loan has not been declared to be immediately due and payable under other provisions of this Agreement: The Total Principal Amount of the loan would be \$31,810.00, the applicable interest rate would be five percent (5.0%) per annum, a monthly installment of principal and interest in the sum of \$951.72 would be due and payable June 29, 2026 and on the 29<sup>th</sup> day of each succeeding month thereafter through and including the monthly installment due December 29, 2026, representing the remaining principal balance plus interest would be due and payable December 29, 2026. The Note attached hereto as Exhibit A reflects a principal amount of the loan of \$30,000.00 which is the base loan amount. In the event the Company elects to include the \$300.00 loan administration fee due from the Company and/or the CDA attorney fee and cost reimbursement amounts due from the Company in the loan, the Note will be revised for execution at closing to reflect a principal amount in a sum equal to \$30,000.00, plus the loan administration fee (if included in the loan), plus the legal fee and out-of-pocket cost reimbursement amounts (if included in the loan), with the payments and monthly installments provided for in the Note increased proportionately.

- (b) If the Company fails to create (i.e., establish, fill and maintain filled for the required two (2) year period) the one (1) required qualifying New Full-Time Job at the Facility as detailed in paragraph 8 below (i) the five percent (5.0%) rate of interest provided for in subparagraph (a) above shall be increased (retroactive to the date of the execution of the loan closing documents) in accordance with the provisions of paragraph 8 below; (ii) the amount of the monthly installment required to be paid by the Company to the CDA, commencing with the first monthly installment due subsequent to the notice of adjustment given pursuant to paragraph 8, shall be adjusted to the amount which would be required to fully amortize and pay the Original Principal Balance, together with interest at the adjusted rate established pursuant to paragraph 8 in equal monthly installments of principal and interest utilizing a sixty (60) month amortization period; (iii) the "Additional Interest Amount" (as hereinafter defined) shall be deemed to be additional interest earned by the CDA; (iv) that portion of the Additional Interest Amount which is equal to the "Adjustment Amount" (as hereinafter defined) shall be added to the "Pre-adjustment Loan Balance" (as hereinafter defined) and resulting sum, which shall be equal to the "Adjusted Loan Balance" (as hereinafter defined), shall be considered to be the principal balance of the loan remaining unpaid after payment by the Company of the last monthly installment due prior to the due date of the first adjusted monthly installment; and (v) the Company shall pay to the CDA, in one lump sum, within thirty (30) days of the Company's receipt of the notice of adjustment under paragraph 8, a catch-up payment (the "Catch-up Payment") equal to the "Additional Interest Payment Amount" (as hereinafter defined). No adjustment under this subparagraph shall result in the extension of the Final Maturity Date provided for under subparagraph (a) above.

For purposes of this subparagraph and related provisions of this Agreement, the "Pre-adjustment Loan Balance" is defined to be the principal balance of the loan remaining unpaid immediately after application of the Company's payment of the last monthly installment due prior to the due date of the first adjusted monthly installment, utilizing the initially established five percent (5.0%) interest rate provided for in subparagraph (a) above and taking into account all payments, as and when made, by the Company. For purposes of this subparagraph and related provisions of this Agreement, the "Recalculated Loan Balance" is defined to be the calculated principal balance of the loan which would have been remaining unpaid immediately after application of the Company's payment of the last monthly installment due prior to the due date of the first adjusted monthly installment, determined as if the adjusted interest rate had been in effect as of the date of the loan closing and execution of the loan closing documents, and applying all payments, as and when actually made, by the Company on the loan as if the same were first applied to interest (at the adjusted interest rate) and then to principal. Notwithstanding the foregoing, no portion of the monthly payments actually made by the Company shall be applied to the Additional First-Year Interest, which is defined to be the amount by which interest on the disbursed and un-repaid principal balance of the loan at the Adjusted Rate for the first year of the loan exceeds interest at the pre-adjustment interest rate for the first year of the loan. For purposes of this subparagraph and related provisions of this Agreement, the "Additional Interest Amount" is defined to be the Additional First First-Year Interest plus the amount by which the Recalculated Loan Balance exceeds the Pre-adjustment Loan Balance. For purposes of this subparagraph and related provisions of this Agreement, the "Adjusted Loan Balance" is defined to be the calculated principal balance of the loan which would have been remaining unpaid immediately after application of the Company's payment of the last monthly installment due prior to the due date of the first adjusted monthly installment, determined as if the adjusted interest rate had been in effect as of the date of the loan closing and execution of the loan documents, and as if the Additional First-Year Interest were not due until the due date of the Catch-Up Payment, and as if adjusted monthly installments had been paid at the same time as the initially established installments were actually paid, and as if any additional principal prepayments actually made by the Company had been applied as and when made. For purposes of this subparagraph and related provisions of this Agreement, the "Adjustment Amount" is defined to be the amount by which the Adjusted Loan Balance exceeds the Pre-adjustment Loan Balance. For purposes of this subparagraph and related provisions of this Agreement, the "Additional Interest Payment Amount" is defined to be the amount by which the Additional Interest Amount exceeds the Adjustment Amount.

- (c) In the event the Company, prior to the time that the loan is paid in full and satisfied, eliminates (see paragraph 9 below for the circumstances under which a Full-Time Job is considered eliminated) one or more required qualifying New

Full-Time Jobs at the Company's Facility in the City of Whitewater and such elimination reduces the number of qualifying New Full-Time Jobs maintained by the Company at the Company's Facility in the City of Whitewater below the Total Required Full-Time Jobs (as defined in paragraph 9 below), and in the event the otherwise then applicable interest rate (the "Existing Interest Rate") under this Agreement (i.e., the 5.0% rate under subparagraph (a) above, as adjusted by any increase under subparagraph (b) above, as further adjusted by any prior increase adjustments under this subparagraph) is less than 7.50% per annum, the Company shall timely deliver to the CDA the Company's written notice and certification required under paragraph 9, and unless the Company is granted a waiver by the CDA under the provisions of paragraph 9 below as to such Full-Time Job elimination: (i) the Existing Interest Rate under this Agreement shall be increased (rounded to the nearest one one-hundredth of one percent), effective as of the interest rate adjustment date established in accordance with the provisions of paragraph 9 below, by 0.250% per annum for each Required Full-Time Job eliminated, however, the resulting interest rate shall not exceed 7.50% per annum, and such resulting interest rate (the "Adjusted Rate") shall thereafter be considered the Existing Interest Rate for purposes of any subsequent adjustments under this subparagraph unless and until subsequently further adjusted under this subparagraph; and (ii) the amount of the monthly installment required to be paid by the Company to the CDA, commencing with the first monthly installment due subsequent to the effective date of the Adjusted Rate, shall be adjusted to the amount which would be required to fully amortize and pay the principal balance (including any interest added back to principal pursuant to the provisions of subparagraph (b) above) of the loan remaining unpaid immediately after application of the Company's payment of the last monthly installment due prior to the due date of the first monthly installment subsequent to effective date of the Adjusted Rate, together with interest at the Adjusted Rate, in equal monthly installments of principal and interest, utilizing and an amortization period equal to sixty (60) months minus the number of full months elapsed during the period commencing with the date which is twelve (12) months subsequent to the date of execution of the loan closing documents and ending on the effective date of the Adjusted Rate. No adjustment under this subparagraph shall result in the extension of the Final Maturity Date provided for under subparagraph (a) above.

- (d) Unpaid principal (including any interest added back to principal pursuant to the provisions of subparagraph 2(b) above), interest and any other required payments established or provided for under this Agreement bear interest after maturity (whether by acceleration or lapse-of-time) until paid at the rate of 7.50% per annum for the actual number of days unpaid computed on the basis of a 365-day year.

- (e) The Company's obligations to the CDA under this Loan Agreement and the Note will be secured by a security interest in, and lien on, all of the Company's tangible and intangible business assets, including, inter alia, those now owned and those hereafter acquired, and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, software used in, and related to, and all proceeds, including insurance proceeds, supporting obligations and products of, the foregoing (hereinafter referred to as the "Collateral"). At the time of closing, the security Agreement attached hereto as Exhibit B (the "Security Agreement") and incorporated herein by reference (revised prior to execution to reflect the actual date of the loan closing) shall be executed by the Company and delivered to the CDA. The Company represents that at the time of closing, the security interest and lien on the Collateral in favor of the CDA, as provided for hereunder, shall constitute a lien on the Collateral superior to all other liens against the Collateral. The obligation of the CDA to proceed with making of the Loan to the Company anticipated under this Agreement is contingent upon the Company providing to the CDA, prior to closing, a current UCC Search Report establishing the superiority of the lien of the CDA against the Collateral. The Collateral shall be maintained at the Company's Facility located in the City of Whitewater, Walworth County, Wisconsin, and shall not be removed from said location without the prior written approval of the CDA. At the time of closing, and from time to time thereafter upon request therefore from the CDA, the Company shall execute and deliver to the CDA such business security agreements establishing and/or confirming the establishment in favor of the CDA of the superior lien on the Collateral and such financing statements and other documents and/or agreements as the CDA may request in order to perfect, maintain perfected and establish the required priority of, the lien in favor of the CDA against the Collateral. The Company shall maintain, at its cost and expense, insurance on the Collateral in an amount, and with insurers, approved by the CDA, which approval shall not be unreasonably withheld, with the CDA named as a loss payee on all such insurance policy or policies. The Company specifically covenants and agrees not to allow or permit a default to occur by the Company, as Tenant, under the Real Estate Lease for the premises (said lease and all extensions and renewals thereof being hereinafter referred to as the "Premises Lease" and the portion of the real estate leased to the Company under the Premises Lease being hereinafter referred to as the "Leased Premises") the Company authorizes and directs owner of the Leased Premises, as Landlord, to disclose to the CDA from time to time upon written request therefor from the CDA, the status of the Company's performance under said Lease (including any extensions or renewals thereof) and related agreements and to furnish to the CDA any notice of default given by such Landlord to the Company in relation to said Lease concurrently with the giving of such notice by Landlord to the Company. In the event of any default by the Company under the Note from the Company to the CDA, or under any agreement securing the Note from the Company to the CDA, or in the event of any default by the Company under this Agreement (which shall also be deemed and

considered to be a default under the Note and the Security Agreement), or in the event of any default by the Company under the Premises Lease or related agreements (which shall also be deemed and considered to be a default under this Agreement and, therefore, a default under the Note and Security Agreement provided for herein), or in the event the Premises Lease is terminated or expires without renewal or extension, the entire unpaid principal balance and interest of this loan from the CDA to the Company shall, at the option of the CDA, become immediately due and payable.

- (f) The obligation of the CDA to proceed with the making of the loan to the Company anticipated under this Agreement is expressly contingent upon Jay Stinson being the only member of the Company, individually, executing and delivering to the CDA at the time of closing, a personal guarantee of performance of all of the Company's obligations to the CDA under and/or anticipated by this Agreement, including, inter alia, the Company's obligations under the Note, the Security Agreement and any other agreement acting as security for the performance of the Company's obligations to the CDA under this Agreement. The form and content of personal guarantee of performance to be executed and delivered by Jay Stinson is attached hereto as Exhibit C (the "Personal Guaranty"), which Personal Guarantee shall be revised prior to execution to reflect the date of execution of this Loan Agreement and related documents and the actual amount of the loan by the CDA to the Company.
- (g) Provided all pre-closing conditions, contingencies and requirements have been timely fulfilled and satisfied, the loan closing with regard to the loan by the CDA to the Company pursuant to this Agreement, and the execution and delivery of the Note, Security Agreement, financing statement and other documents anticipated or provided for in this Agreement shall take place in the City of Whitewater, Wisconsin at the place designated by the CDA by not later than December 29, 2021, or such other date as may be mutually agreed upon between the CDA and the Company.

3. Facility and Use of Loan Proceeds. The Company agrees to use the proceeds of this loan from the CDA exclusively for the "Business Development Costs" incurred by the Company in the development and conduct of the Company's business operations at the Facility in the City of Whitewater.

4. Increased Employment. For purposes of this Agreement, the term "Full-Time Job" means a regular full-time job with the Company in its business operations at the Facility in the City of Whitewater wherein an employee is, or two or more employees performing identical tasks or duties together are, required, as a condition of employment, to work for the Company solely in the Company's business operations at the Facility in the City of Whitewater at least forty (40) hours per week and at least two-thousand eighty (2,080) hours per year, including paid leave and holidays and wherein said employee's rate of pay is at least 150% of the Federal minimum wage. The Company has indicated to the CDA that the Company anticipates that the

conduct of the Company's business operations at the Facility in the City of Whitewater will result in the creation of one (1) qualifying New Full-Time Job with the Company in its business operations at the Facility in the City of Whitewater, with the one (1) New Full-Time Job being filled within two (2) years of the date of the loan closing. For purposes of this Loan Agreement (and related provisions of this Agreement and the Note related to job relocation/retention/creation), the number of qualifying New Full-Time Jobs required to be created by the Company at the Facility for the conduct of the Company's relocated and expanded business operations at the Facility in the City of Whitewater is one (1) Full-Time Job. In order to qualify as a New Full-Time Job created with the Company's business operations at the Facility for purposes of paragraph 8 of this Agreement, and related provisions of this Agreement, a job must be a new Full-Time Job created on or after the date of execution of this Agreement solely with the Company's business operations at the Facility in the City of Whitewater that: (a) is filled by the hiring by the Company of an employee to fill such position in the Company's business operations at the Facility in the City of Whitewater by not later than two (2) years from the date of the loan closing and (b) remains filled with the Company solely in its business operations at the Facility in the City of Whitewater for an uninterrupted period of not less than two (2) years following the later of the date of the loan closing or the date of the initial filling of that new Full-Time Job. In order to meet the employment requirements under this Agreement a total of one (1) New Full-Time Job will be required to be created, filled and maintained with the Company solely in the Company's business operations at the Company's Facility in the City of Whitewater. For purposes of determining whether or not Full-Time Job retention and creation requirements have been satisfied and for purposes of determining appropriate adjustments to interest rates and other required payments as provided for in or pursuant to this Agreement, part-time jobs will not be considered, but rather, only Full-Time Jobs with the Company wherein an employee works, or two or more employees performing identical tasks or duties together work, exclusively in the Company's business operations at the Facility in the City of Whitewater which are filled within the time period provided for above and remain filled with that Company without interruption for the two (2) year period provided for above shall be taken into consideration. The Company agrees to use its best efforts to make newly-created job positions available to qualified persons with low-to-moderate income and agrees to work with the Wisconsin Economic Development Corporation and the local Job Service Office to ensure that qualified persons with low-to-moderate income receive consideration for vacant positions to be filled with respect to new jobs created by the Company in its relocated and expanded business operations at the Facility in the City of Whitewater.

5. Job Creation and Maintenance - Best Efforts. As an inducement to the CDA to make the loan anticipated under this Agreement to the Company, the Company agrees that it will utilize its best efforts to comply with the foregoing undertakings with respect to creation and maintenance of New Full-Time Job as set forth in paragraph 4 above. The parties acknowledge that failure to create and maintain the required minimum qualifying Full-Time Jobs with the Company's business operations at the Facility in the City of Whitewater, as anticipated under this Agreement, does not constitute a default by the Company provided the Company uses its best efforts to create the required new Full-Time Jobs with the Company at the Company's business operations at the Facility in the City of Whitewater, however, the Company's failure to

create (establish, fill and maintain for the required period) the required minimum qualifying New Full-Time Jobs with the Company's business operations at the Facility in the City of Whitewater will result in an increase in the interest rate on the loan as provided for in paragraph 8 below and will result in the adjustment to the required payments of principal and interest under this Loan Agreement and the Note.

6. Private Dollar Contribution. In addition to the \$30,000.00 net loan proceeds being made available to the Company by the CDA pursuant to this Loan Agreement, which proceeds shall be utilized by the Company exclusively for qualifying Business Development Costs incurred by the Company in the development and conduct of the Company's business, at the Facility, such additional funding as may be required for relocation of the Company's business to, the expansion of the Company's business at, and/or working capital purposes incident to the Company's relocated and expanded business operations at the Facility shall be furnished by the Company through existing equity funding or additional borrowing from third-party sources.

7. Records. The Company will maintain those records which are necessary to enable the CDA to determine whether the performance by the Company complies with the terms of this Agreement and the Note and agreements securing the same provided for under this Agreement. The CDA and its representatives shall have access to all such records pertinent to this Agreement for purposes of examination, however, the CDA and its representatives, shall treat, to the extent legally permissible, all such information as confidential information. The Company agrees to maintain and make available to the CDA for review and inspection those records which in the reasonable opinion of the CDA are necessary to determine the number of Full-Time Jobs created and maintained by the Company at the Facility in the City of Whitewater, which records shall include, without limitation by enumeration, payroll records and such other correspondence, notices and/or documentation related to efforts undertaken to comply with the "making jobs available to qualified person with low to moderate income" requirements of this Agreement. The Company further agrees to prepare, certify as accurate and deliver to the CDA the following:

- (a) By not later than twenty-five (25) months following the date of the initial closing of this loan transaction, a listing, certified to as correct by the Company, of the New Full-Time Jobs with the Company solely in its business operations at the Facility in the City of Whitewater filled and remaining filled as of the date which is two (2) years subsequent to the date of closing of this transaction;
- (b) By not later than forty-nine (49) months subsequent to the date of the closing of this loan transaction, a listing and designation, certified to as correct by the Company, of the Full-Time Jobs maintained by the Company solely in its business operations at the Facility in the City of Whitewater as of the date which is forty-eight (48) months subsequent to the date of the closing of the loan transaction anticipated under this Agreement; and
- (c) By not later than thirty (30) days after the elimination by the Company of any Full-Time Job with the Company at its Facility in the City of Whitewater, written notice by the Company to the CDA, certified to as correct by the Company,

designating the date of elimination of any Full-Time Job previously created and maintained by the Company solely at the Facility in the City of Whitewater.

8. Failure to Create Jobs. The Company acknowledges and agrees that pursuant to the CDA's revolving loan guidelines, the prevailing "Market Interest Rate" for funds is established to be two (2) percentage points above the prime interest rate as published in the *Wall Street Journal Midwest Edition* for the base date (normally the date the loan is finally approved), and accordingly, it is agreed that the applicable prime interest rate for purposes of this loan is three and one-quarter percent (3.25%) per annum, and the prevailing Market Interest Rate for funds applicable with respect to this loan is seven and two-quarter percent (7.50%) per annum. In anticipation that the Company will timely create and maintain not less than one (1) qualifying New Full-Time Jobs solely at the Company's Facility located in the City of Whitewater, the CDA is agreeing to provide the \$30,000.00 loan to the Company at a lower interest rate of five percent (5.0%) per annum, subject, however, to upward adjustment in the event the one (1) qualifying New Full-Time Job is not timely created and/or thereafter maintained by the Company solely at the Facility in the City of Whitewater. For the one (1) qualifying New Full-Time Job that the Company fails to timely create (fill and maintain) solely at the Facility in the City of Whitewater in accordance with paragraph 4 of this Agreement, then for each qualifying Full-Time Job less than one (1) that is not so created and maintained, the interest rate (rounded to the nearest one-thousandth of one percent) during the entire term of this loan, shall be increased (commencing retroactively to the time of execution of the loan closing documents as to the initial failure to timely create and maintain any required qualifying New Full-Time Jobs, and commencing effective as of the date otherwise specified in this Agreement in all other instances) by one and two hundred fifty thousandths percent (1.250%) per annum. The interest rate adjustment factor for each required qualifying New Full-Time Job not created or created but subsequently eliminated or deemed eliminated (designated as "X" in the following formula) has been established as follows:

$$X = \frac{[\text{Market Interest Rate} - \text{CDA Loan Interest Rate}]}{[\text{Number of existing Full-Time Jobs required to be relocated and maintained} + \text{number of New Full-Time Jobs Required to be Created and Maintained}]}$$

-OR-  $X = \frac{[7.50\% - 5.00\%]}{[1]}$

-OR-  $X = \frac{1.25\%}{1} = 1.250\%$

For purposes of the following provisions, the "Job Creation Review Date" shall be the earlier of four (4) years subsequent to the date of closing of this loan transaction or the date the CDA receives notice from the Company that the Company has created the one (1) required qualifying New Full-Time Jobs (i.e., that said job has been established, filled and remain filled for the required two (2) year period) solely at the Company's Facility in the City of Whitewater and remaining maintained solely in the Company's business operations at the Facility in the City of Whitewater is not less than one (1). Provided the Company provides and makes available to the CDA adequate records of the Company sufficient to allow the CDA to determine the number of qualifying New Full-Time Jobs created solely at the Facility in the City of Whitewater and the

total number of Full-Time Jobs maintained by the Company solely at its Facility in the City of Whitewater, the CDA shall review such records and notify the Company of the CDA's determination of the number of qualifying New Full-Time Jobs, if any, which the CDA has determined that the Company has failed to create and maintain at the Facility, and further, shall notify the Company of the adjusted interest rate resulting from such failure to relocate, retain and maintain, and/or to create and maintain, if any. In the event the Company fails or refuses to furnish to the CDA, within thirty (30) days of a written request therefore submitted by the CDA to the Company, such records as the CDA reasonably deems necessary to allow the CDA to determine the number of qualifying New Full-Time Jobs created and maintained by the Company solely at its Facility in the City of Whitewater, the CDA shall have the right to establish that the number of qualifying New Full-Time Jobs with the Company solely at the Facility as zero (0) jobs, and in the event such determination is made, the non-default interest rate under this loan shall be adjusted to seven and two-quarter percent (7.50%) per annum. Unless and until notification of adjustment is given by the CDA to the Company, the interest rate otherwise provided for under this Agreement shall be utilized for calculating all required amounts and payments. In the event an adjustment to the interest rate is made pursuant to this paragraph, the CDA shall notify the Company in writing of the adjusted interest rate (rounded to the nearest one-thousandth of one percent), the adjusted amount of the required monthly installment of principal and interest payable during the remainder of the term of this loan as provided for in paragraph 2(b) of this Agreement, and further, shall notify the Company in writing of the dollar amount of the lump sum Catch-up Payment (as defined in paragraph 2(b) above) required to be paid (which amount shall be due within thirty (30) days of the Company's receipt of such notice).

9. Failure to Maintain Jobs. In the event the Company, prior to the time that this loan is paid in full and satisfied by the Company, reduces the number of qualifying New Full-Time Jobs created and maintained by the Company solely at the Facility in the City of Whitewater below the Total Required Full-Time Jobs (as hereinafter defined), the five percent (5.0%) interest rate provided for under this Agreement, as adjusted pursuant to the provisions of subparagraph 2(b) and paragraph 8 above (if any such adjustment has been so made), shall be subject to further adjustments, and in the event of such further adjustments, the monthly installment of principal and interest shall likewise be adjusted (or re-adjusted as the case may be) as hereinafter set forth. The "Total Required Full-Time Jobs" for purposes of this paragraph is defined initially to be the one (1) qualifying New Full-Time Jobs to be created and maintained by the Company solely at the Facility in the City of Whitewater minus the number, if any, of qualifying required New Full-Time Jobs, if any, which the CDA determines (in accordance with the provisions of paragraph 8 above) that the Company has failed to timely create and maintain; in the event of any adjustment to the otherwise applicable interest rate pursuant to the provisions of this paragraph, the number of required qualifying New Full-Time jobs for purposes of this paragraph and related provisions of this Agreement shall thereafter be deemed to be the theretofore number of Total Required Full-Time Jobs minus the number of eliminated Full-Time Jobs for which such adjustment is made. A Full-Time Job shall be considered to be eliminated if that job remains unfilled (a job shall be considered unfilled if there is no person employed by the Company solely at the Facility for that job at the Company's Facility in the City of Whitewater, or if the person employed for that job (or persons performing identical tasks or duties together

employed for that job) receives wages or earnings at a rate of less than one hundred fifty percent (150%) of the Federal minimum wage, or if the person employed for that job is (or the persons performing identical tasks or duties employed for that job together are) not required, as a condition of employment, to work at least forty (40) hours per week and at least two thousand eighty (2,080) hours per year, including paid leave and holidays) for a period in excess of forty-five (45) days, or for periods of less than forty-five (45) days which total in excess of sixty (60) days within any twelve (12) month period. In the event the number of Full-Time Jobs maintained by the Company solely at the Facility falls below the then-applicable Total Required Full-Time Jobs and the Company notifies the CDA in writing, within thirty (30) days of the date on which any of such Required Full-Time Jobs has been eliminated, of the number of Full-Time Jobs eliminated and the date each such Full-Time Job was eliminated, accompanied by a certification by the Company of the remaining number of qualifying Full-Time Jobs maintained by the Company solely in its expanded business operations at the Facility in the City of Whitewater, the otherwise applicable non-default interest rate under this Agreement shall, unless a waiver has been obtained by the Company as hereinafter provided, be increased (to the nearest one-thousandth of one percent) by 0.250% per annum for each Required Full-Time Job eliminated, however, the resulting non-default interest rate shall not exceed seven and two-quarter percent (7.50%) per annum. Provided such notice and certification is timely delivered by the Company to the CDA and the CDA is afforded the opportunity to review such of the Company's books and records as the CDA may deem appropriate within a time period reasonably acceptable to the CDA, the CDA shall review the notice and certification and such books and records and shall notify the Company in writing of the adjusted (or further adjusted) interest rate resulting from any such job elimination, the effective date of such interest rate adjustment (which interest rate adjustment date shall be the later of the date specified by the CDA in such notice, the date of elimination of the Required Full-Time Job, or the date which is one (1) month prior to the first scheduled monthly installment due date following the CDA's notice), the adjusted monthly installment of principal and interest resulting from such interest rate adjustment (which shall be determined utilizing such adjusted, or re-adjusted, as the case may be, interest rate, the unpaid principal balance of the loan remaining unpaid immediately after application of the last monthly installment paid prior to the due date of the first adjusted, or re-adjusted, monthly installment and an amortization period equal to sixty (60) months minus the number of full months elapsed during the period commencing on the date which is twelve (12) months subsequent to the date of execution of the loan closing documents and ending on the effective interest rate adjustment date), which adjusted monthly payment shall be due and payable commencing with the first monthly installment subsequent to the effective interest rate adjustment date. The CDA reserves the right to from time to time submit to the Company, a request that the Company certify to the CDA within thirty (30) days of the date of submittal of such request, the number of Full-Time Jobs then maintained by the Company solely in the Company's business operations at the Facility in the City of Whitewater, and that the CDA be afforded access to such employment records and information as may be reasonably required to determine the then-existing number of qualifying Full-Time Jobs maintained by the Company solely at its Facility in the City of Whitewater; in the event such certification is timely received by the CDA, and the CDA is afforded the opportunity to review such employment records and information as the CDA reasonably deems necessary to establish or confirm the number of Full-Time Jobs being maintained by the Company solely at

the Company's Facility in the City of Whitewater as of the date of such request, the CDA, upon completion of such review, shall notify the Company of the number of required qualifying Full-Time Jobs the CDA has determined as having been timely created and being then maintained by the Company solely at the Company's Facility in the City of Whitewater as of the date of the CDA's request, and in the event the number of jobs so determined by the CDA as being then maintained solely at the Facility is less than the number of then required qualifying New Full-Time Jobs required to be maintained solely at the Facility, said notice by the CDA to the Company shall be considered as if the same were a notice of job elimination and certification by the Company to the CDA under the foregoing provisions of this paragraph, and the interest rate and monthly installment adjustment provisions set forth in the foregoing provisions of this paragraph shall apply. In the event the Company fails or refuses for a period of thirty (30) days after receipt of request therefor from the CDA to submit to the CDA its certification as to the number of qualifying Full-Time Jobs then being maintained by the Company solely at the Facility in the City of Whitewater, or in the event the Company fails or refuses to make available to the CDA such employment records and information as the CDA reasonably deems necessary to establish the number of Full-Time Jobs from time to time being maintained by the Company solely at the Company's Facility in the City of Whitewater, the CDA shall have the right to make and issue a determination that based on lack of verification of qualifying Full-Time Jobs then being maintained, all of the qualifying Full-Time Jobs previously determined to have been created and maintained have been eliminated, and in such event, the CDA shall have the right to adjust the interest rate and required monthly installment of principal and interest with regard to the loan to the Company in the same manner as if the Company had timely notified the CDA in writing that all of the applicable Total Required Full-Time Jobs had been eliminated. The Company shall have the right to submit to the CDA, a request that the CDA waive the CDA's right to implement an interest rate adjustment, or defer the effective date of an interest rate adjustment, provided for under this paragraph if such Required Full-Time Job elimination is the result of adverse economic conditions, documented labor shortages, or similar events beyond the control of the Company. Any such request submitted by the Company shall set forth in detail, the facts and circumstances, certified by the Company, upon which the Company is basing such request. If the CDA timely receives such a request from the Company for a waiver or deferral (accompanied by reasonably sufficient supporting information and documentation from the Company) prior to the issuance of any notice of adjustment, the CDA shall consider such request prior to the issuance of any such notice, and if such facts, circumstances and documentation establish to the reasonable satisfaction of the CDA that such job elimination is the result of adverse economic conditions, labor shortages, or similar events beyond the control of the Company, the CDA shall grant such waiver or deferral upon such terms and conditions, and for such periods, as the CDA in its reasonable discretion may deem appropriate, and shall give the Company written notice of the CDA's action upon such request. If the Company's request for a waiver or deferral (accompanied by reasonably sufficient supporting information and documentation) is received after, but not more than thirty (30) days after, the issuance by the CDA of a notice of adjustment, the adjustment as specified in the notice issued shall become effective as specified in the notice, however, if the facts, circumstances and documentation establish to the reasonable satisfaction of the CDA that such job elimination was the result of adverse economic conditions, labor shortages, or similar events beyond the control of the

Company, the CDA shall grant such waiver or deferral, upon such terms and conditions, and for such periods, as the CDA in its reasonable discretion may deem appropriate, and shall give the Company written notice of the CDA's action on such request, and, if the decision of the CDA is to retroactively grant the waiver or deferral, such notice by the CDA shall specify the adjustments or re-adjustments to the non-default interest rate and required monthly installments of principal and interest affected by, and to be implemented as a result of, such decision. Notwithstanding the foregoing provisions of this paragraph, in the event the failure of the Company to maintain the then-applicable Total Required Full-Time Jobs solely at the Facility is due to fire or other casualty, and in the event the Company delivers to the CDA within forty-five (45) days of the date of such casualty, written certification by the Company that the damage to the portion of the Facility will be repaired and the premises restored to its pre-casualty condition and certification by the Company that it intends to re-establish, within a reasonable period not in excess of eighteen (18) months from the date of such casualty, the active conduct of its business operations at the damaged facility leased by the Company in the City of Whitewater, and in the event the damaged facility is, with due diligence and without interruption, restored to its pre-casualty condition within said time period, and the Company proceeds with due diligence and without interruption to recommence its business operations at the damaged facility leased by the Company in the City of Whitewater and so re-establishes such business operations within said time period and fills within said period and thereafter maintains a number of Full-Time Jobs solely at such facility in the City of Whitewater at least equal to the number of Full-Time Jobs which existed prior to such casualty, the period of time the Required Full-Time Jobs remains unfilled, commencing with the date of such casualty, and ending with such reasonable date not later than eighteen (18) months following such casualty that such Required Full-Time Jobs are again established and filled, shall be disregarded for purposes of determining Full-Time Job elimination under this Agreement.

10. Cessation of the Company's Business in Whitewater. In the event the Company, prior to the time that the loan has been fully paid and satisfied by the Company, ceases the active conduct of its business operations in the City of Whitewater, and such cessation of such business continues for an uninterrupted period in excess of forty-five (45) days, or exists for periods which total in excess of sixty (60) days within any twelve (12) month period, the entire outstanding balance of the loan shall become immediately due and payable at the option of the CDA. Notwithstanding the provisions of the preceding sentence, in the event the cessation of the Company's active conduct of business operations in the City of Whitewater is due to fire or other casualty, and in the event the Company, within forty-five (45) days of the date of such casualty, notifies the CDA in writing of the Company's intent to recommence, within a time period reasonably acceptable to the CDA, the active conduct of the Company's business operations in the City of Whitewater, and in the event the Company proceeds with due diligence and without interruption to recommence its business operations in the City of Whitewater and so recommences and re-establishes the active conduct of its business operations in the City of Whitewater within said period, such suspension of the Company's business operations during such period shall not be considered a cessation of business under the provisions of this paragraph.

11. Nondiscrimination. The Company agrees that it will not discriminate against any contractor, employee or applicant for employment because of age, race, color, national origin, religion, sex, sexual orientation, developmental disability as defined in Section 51.05(5) of the Wisconsin Statutes, physical condition or handicap in the operation of the Company's restaurant business.

12. Federal Anti-Piracy. The Company certifies that it is in, and will maintain, compliance with, and agrees that it will maintain compliance with, CDBG Anti-Piracy Regulations as stated in CFR 570.482(h). Violation of this regulation will constitute an event of default under this Agreement.

13. Default. In the event the Company fails to make any payment of principal or interest due under the Note or fails to timely make any other payment required to be made by the Company under this Agreement, the Security Agreements, or any other agreement securing the foregoing obligations, or fails to comply with any other term of provision contained in this Agreement, the Note, the Security Agreement, or any other agreement securing the foregoing, the CDA will notify the Company in writing of the potential for a default, the action required to avoid a default, a date not less than ninety (90) days from the date on which the payment was originally due or on which the failure originally occurred, and not less than thirty (30) days from the date of the notice, by which such action as may be required must be performed. In the event the Company does not carry out such action as is required by the CDA within the time specified in said notice, the Company will then be in default. Notwithstanding the foregoing, in the event any representation made by the Company to induce the CDA to extend credit to the Company is false in material respect when made, or in the event the Company becomes insolvent or the subject of bankruptcy or other insolvency proceedings, or in the event the Company ceases the active conduct of its business operations at the Facility, or in the event the Company defaults under the Premises Lease, the foregoing notice and cure provisions shall not apply, but rather, the Company shall be deemed and considered to be in default upon the occurrence of any such event. In the event of a default, all sums due and owing to the CDA under the Note, including the full unpaid Principal Balance (including any accrued interest added to principal) and all accrued interest shall, at the option of the CDA, become immediately due and payable without further notice. In the event the Premises Lease is terminated or expires without renewal or extension, all sums due and owing to the CDA under the Note, including the full unpaid Principal Balance (including any accrued interest added to principal) and all accrued interest shall, at the option of the CDA, become immediately due and payable without further notice. If the CDA employs attorneys or incurs other expenses for the collection of amounts due, or for the enforcement or performance or observance of any of the other obligations or agreements on the part of the Company to be performed as herein contained or provided, the Company agrees that it will, on demand therefor, pay to the CDA, the reasonable fees of such attorneys and such other reasonable expense so incurred by the CDA. As noted above, provided the Company actively conducts its relocated and expanded business operations at, and uses its best efforts to create and maintain the required qualifying Full-Time Jobs solely at, the Company's Facility in the City of Whitewater, the failure of the Company to meet Full-Time Job creation and retention

requirements is not a default, but rather, constitutes the basis for increases in the interest rate and required payments in accordance with paragraphs 8 and 9 of this Agreement.

14. Relationship, Liability, Indemnification and Release. The obligations of the CDA are limited to those specifically stated in this Agreement. The relationship of the CDA and the Company is solely that of lender and borrower, and neither this Agreement, nor any other agreements related hereto, shall be construed to create a relationship of partnership or a joint venture between the CDA and the Company. The Company has entered into this Agreement of its own volition and based upon its own independent review and evaluation of leasing the Facility and operating its business operations at the Expansion Facility and the terms and conditions of this Agreement. The Company acknowledges that it has not relied upon any promises, representations or claims made by the CDA, its officers, directors, agents, contractors or employees that are not specifically set forth in this Agreement. The Company shall be solely responsible for all costs and expenses of leasing the Facility and rendering the same suitable for the Company's use and the conduct of its business operations at the Facility in the City of Whitewater, and the Company shall be solely responsible for the development and expansion of its business and any and all claims arising therefrom or related thereto. The Company covenants and agrees, at its own expense, to pay, and to indemnify and save the CDA, and its officers, directors, agents, contractors and employees, harmless of, from, and against any and all claims, damages, demands, expenses, liabilities and taxes (of any character or nature whatsoever regardless of by whom imposed), and losses of every conceivable kind, character and nature whatsoever (including, but not limited to, claims for loss or damage to any property or injury to, or death, of any person asserted by or on behalf of any person, firm, corporation or governmental authority arising out of, resulting from, or in any way connected with, this Loan Agreement or the performance hereof. The Company further covenants and agrees, at its own expense, to pay, and to indemnify and save the CDA, and its officers, directors, agents, contractors and employees, harmless from and against all costs; responsible attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against the CDA or any of its officers, directors, agents, contractors or employees by reason of any such claim or demand, the Company covenants to resist and defend such action or proceeding on behalf of the CDA, its officers, directors, agents, contractors and employees. The provisions of this paragraph shall not, however, be construed to release the CDA from performance of the agreements on its part required to be performed under this Loan Agreement.

15. Amendments. Any amendment to this Agreement requires the written agreement of the CDA and the Company.

16. Other Acceleration Events. So long as any obligation of the Company to the CDA remains outstanding, the Company agrees not to directly, or indirectly sell, assign, transfer, convey or alienate, other than in the ordinary course of business, or involuntarily allow the sale, assignment, transfer or alienation of, any legal or equitable interest in, or to grant any exclusive license with respect to, all or any portion of the Company's assets without first obtaining the prior written approval of the CDA, which approval shall not be unreasonably withheld, provided the purchaser or transferee meets reasonable credit worthiness standards, and further provided

such purchaser or transferee specifically agrees to be bound by, and to comply with, the terms and conditions of this Loan Agreement and the documents, notes and agreements referred to herein, including, without limitation by enumeration, the specific agreement to use its best efforts to retain, create and maintain the required qualifying Full-Time Jobs solely in the City of Whitewater, as provided for under this Agreement and the Note provided herein. The CDA may, without notice to the Company, deal with any such purchaser or transferee, whether one or more, in the same manner as the Company without in any way discharging the liability of the Company to the CDA. In the event any voluntary or involuntary, direct or indirect, sale, transfer, conveyance or alienation, other than in the ordinary course of business of, or any grant or transfer of any exclusive license with respect to, all or any portion of the Company's assets occurs without the prior written approval of the CDA, the full remaining unpaid Principal Balance of the loan and all accrued interest shall, at the option of the CDA, become immediately due and payable in full without further notice. In the event of any merger, consolidation or similar reorganization of the Company, or in the event of the conversion of the Company to a corporation, or in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the full remaining unpaid Principal Balance of the loan and all accrued interest shall, at the option of the CDA, become immediately due and payable in full without further notice.

17. Notice. Any notice or other communication permitted or required to be given hereunder by one party to the other shall be in writing and shall be given by hand-delivery or by depositing the same in the U.S. Mail, registered or certified, postage prepaid, return receipt requested, or with a commercial delivery service with postage or fees prepaid or charged to an account with such service, addressed to the party entitled or required to receive the same for delivery to the party's address specified below, or at such other address as may hereafter be designated in writing by such party for such purpose, to-wit:

As to the CDA:

Community Development Authority of the City of Whitewater, Wisconsin  
Attention: Director or Executive Director  
312 West Whitewater Street  
Whitewater, WI 53190

As to the Company:

Fine Food Arts LLC  
Attention: Jay Stinson  
210 W. Whitewater St.  
Whitewater, WI 53190

Any notice or communication given by personal delivery shall be considered given upon hand-delivery to the address for the intended recipient as set forth above. Any notice or other communication given by mailing or commercial delivery service shall be deemed given when deposited in the U.S. Mails or with the commercial delivery service.

In lieu of the delivery of any document, instrument or notice by personal delivery or by registered or certified mail, return receipt requested, any document, instrument or notice required or permitted hereunder may be executed and delivered via electronic transmission, and if so given by electronic transmission to the e-mail address set forth below, or such other e-mail address as may be designated in writing by such intended recipient for such purposes, and any such document, instrument or notice so given by electronic transmission shall be deemed to be an original executed and enforceable written document delivered to the intended recipient upon completion of transmission by e-mail to the email address of the intended recipient as follows:

As to the CDA: canderson@whitewater-wi.gov and bmiller@whitewater-wi.gov

As to the Company: pauleckert@safeprotechnologies.com

18. UCC Search Report. Prior to the date of closing of the loan anticipated under this Agreement, the Company, at its sole cost and expense, shall deliver to the CDA, a current written UCC Search Report covering the Company and each Shareholder of the Company, together with a copy of all UCC filings in such report.

19. Other Requirements. At the time of the initial loan closing, the Company will pay to the CDA a \$300.00 loan origination fee. In addition, the Company will, within fifteen (15) days of receipt of billings therefor from the CDA, pay to and reimburse the CDA for attorney fees incurred by the CDA in making this loan and for out-of-pocket expenses and costs (such as UCC search fees and filing fees) incurred by the CDA in establishing the condition of title to and/or liens against and the perfection of the liens in favor of the CDA against the Collateral securing this loan. At the time of closing, the Company shall deliver to the CDA, in form acceptable to the attorney for the CDA, duly-certified copies of appropriate resolutions and/or records of action by the Board of Directors of the Company authorizing and approving the terms and provisions of this Agreement and the execution and delivery of this Loan Agreement and the Note and Security Agreement and related documents referred to herein and designating the officer or officers of the Company authorized to execute this Agreement, the Note, the Security Agreement, and any other related or required documents on behalf of the Company. At the time of closing, the Company shall furnish to the CDA a full and complete copy of the Company's Articles of Organization, as amended, and a copy of the Operating Agreement of the Company, as currently amended, together with certification by the appropriate officer of the Company in such form and content as are acceptable to the Attorney for the CDA certifying that said copies are full and accurate copies of the Articles of Organization of the Company, as now amended, and the current Operating Agreement of the Company, as now amended, that the same remain in full force and effect, and have not been further amended or modified. The Company shall deliver to the CDA copies of the Company's Quarterly Financial Statements within thirty (30) days after the end of each fiscal quarter and shall deliver to the CDA copies of the Company's Annual Financial Statements within ninety (90) days of each year-end. The Company shall further deliver to the CDA from time to time upon request therefor, updated, verified statements describing and detailing the use and application by the Company of the \$30,000.00 net proceeds of the loan being made by the CDA to the Company pursuant to this Agreement.

20. Interpretation. The validity, construction and enforcement are, and shall be, governed by the laws of the State of Wisconsin. Invalidity of any of the provisions of this

Agreement or of the documents or agreements anticipated hereby shall not affect the validity of any other provisions or any other agreement. The terms and provisions of this Agreement and the instruments and agreements and documents anticipated hereunder shall not be construed more strictly against one party than against the other merely by virtue of the fact that this Agreement or such instrument or document may have been prepared by counsel for one of the parties, it being recognized that all parties have contributed, and/or have had the opportunity to contribute, substantially and materially to the preparation and content of this Agreement and such documents. If any obligation of the Company under, or as provided for in, this Agreement should be breached and thereafter waived by the CDA in writing, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other or any future breach of the same or any other provision on any other occasion. No remedy herein conferred upon or reserved to the CDA is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and/or the instruments, documents and agreements provided for or anticipated hereunder, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power occurring upon any non-performance shall impair any such right or power, or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. The representations, warranties, covenants and undertakings set forth in this Loan Agreement shall survive the closing of the loan transaction.

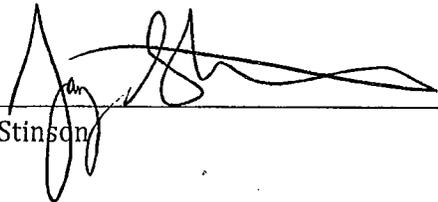
21. Persons and Entities Bound. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns.

22. Representations and Authorization. The Company hereby represents and warrants to the CDA that the execution and delivery of this Agreement and the documents, instruments and undertakings provided for or anticipated hereunder, including, inter alia, the Note, the General Business Security Agreement and the Financing Statements anticipated hereby, by the Company will not violate or constitute any breach of the Company's Operating Agreement, or any agreement or restriction to which the Company is a party or is subject, and such actions have been duly authorized and that the Company's performance of its obligations as anticipated under this Agreement and such documents so anticipated under this Agreement will not violate or constitute a breach of any agreement or restriction to which the Company is a party or is subject and that the member or members of the Company designated as having authority to act on behalf of the Company have authority to act on behalf of the Company to consummate this loan. The CDA hereby represents that the making of the loan by the CDA as anticipated under this Agreement and the terms and conditions of this Agreement have been duly authorized and that this Agreement is binding upon, and enforceable against, the CDA in accordance with its terms, and that the CDA officials executing this Agreement have authority to execute this Agreement on behalf of the CDA.

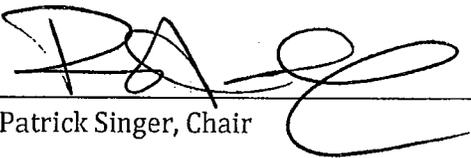
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as their respective acts and deeds this 29<sup>th</sup> day of December, 2021.

FINE FOOD ARTS LLC

By:   
Jay Stinson

COMMUNITY DEVELOPMENT AUTHORITY OF THE  
CITY OF WHITEWATER, WISCONSIN

By:   
Patrick Singer, Chair

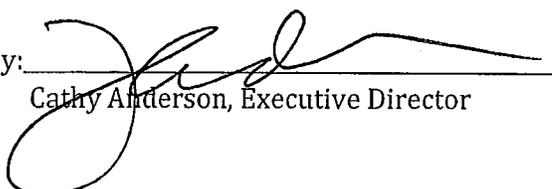
By:   
Cathy Anderson, Executive Director

EXHIBIT LIST

EXHIBIT A	Promissory Note
EXHIBIT B	Security Agreement
EXHIBIT C	Personal Guaranty



**State of Wisconsin**  
*Department of Financial Institutions*

---

Tony Evers, **Governor**

Cheryll Olson-Collins, **Secretary**

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

November 08, 2022

## **UCC Initial Filing Acknowledgment**

**Filing Type:** UCC-1 Initial Financing Statement  
**Work Order Number:** WO202211080000264

**Initial Filing Number:** 20221108000318-0  
**Date/Time Filed:** 11/8/2022 11:27:53 AM

**Debtor Name**

Fine Food Arts LLC

**Debtor Type**

Organization

**Debtor Address**

210 W. Whitewater St.  
Whitewater WI 53190USA

**Secured Party Name**

Whitewater Community  
Development Authority

**Secured Party Type**

Organization

**Secured Party Address**

312 W. Whitewater St.  
Whitewater WI 53190USA