



Dave Carlson
Executive Director
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August 8, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

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

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

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

Dear Mr. Scanlin:

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

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

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

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

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

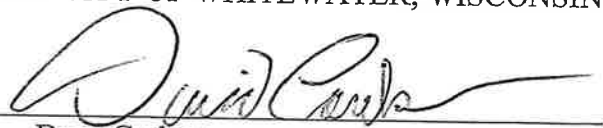
Please remit the payoff balance of \$108,630.39 by August 31, 2018 to avoid any interest rate penalties. In the event full payment of all principal and accrued and accruing interest has not been received by August 31, 2018, this matter will be referred to litigation legal counsel for further proceedings.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

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

Sincerely,

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF WHITEWATER, WISCONSIN

By:


Dave Carlson, Executive Director

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