

SWEET WATER ORGANICS, INC.

LOAN AGREEMENT

THIS AGREEMENT is made and entered into as of this 1st day of August, 2011, by and between the City of Milwaukee, a Wisconsin municipal corporation ("City"), and Sweet Water Organics, Inc., a Wisconsin Corporation ("Borrower").

WITNESSETH

WHEREAS, Borrower is an urban farm that has re-purposed an unused industrial building in Milwaukee's Bay View neighborhood; and,

WHEREAS, Borrower is currently operating from a facility located at 2151 South Robinson Avenue, Milwaukee, Wisconsin, 53207 (the "Property"), in which it will invest at least \$375,000.00 to expand its current operation (the "Project");

WHEREAS, City has agreed to assist Borrower in expanding at the Property by funding a forgivable loan to the Company in the amount of \$250,000.00 (the "Loan") for the Project in accordance with the Project Term Sheet dated April 19, 2011 (the "Term Sheet"), a copy of which is attached as Exhibit A;

WHEREAS, Common Council Resolution File No. 101375 authorizes the execution of this Agreement and the funding of the Loan in accordance with the Term Sheet; and,

WHEREAS, City has agreed to provide the Loan to the Borrower, the proceeds of which will provide assistance for the Project;

WHEREAS, City is willing to make the Loan to the Borrower, upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, City and Borrower agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"Closing Date" means August 1, 2011.

"Compliance Certificate" means a certificate in the form attached hereto as Exhibit B.

"Eligible Project Costs" means the items described on Exhibit C.

"Equity Investment" means cash contributions to the Project, including \$37,500 deposited by Borrower into Bank Account #XXXXXX6336 (\$20,000 on June 17, 2011; \$5,000 on June 22, 2011; \$7,500 on June 30, 2011; and \$5,000 on July 16, 2011). In-kind contributions shall not be counted towards the Equity Investment requirement of this Agreement.

"Event of Default" means the occurrence of any of the events described in Section 7. 1.

"Facility" means the property located at 2151 South Robinson Avenue, Milwaukee, Wisconsin.

"Loan Documents" means this Agreement, the Note, the Security Agreement, the Account Control Agreement and all other documents, instruments, agreements and certificates related to or executed in connection with this Agreement and the transactions contemplated hereby.

"Note" means a Note in the form attached hereto as **Exhibit D**.

"Project" means the expansion of the Borrower's business operations at the Facility.

"Project Funds" means the proceeds of the Loan.

ARTICLE II THE LOAN

2.1 The Loan. City hereby makes a forgivable term loan in the principal amount of \$250,000.00 to Borrower. The Loan will be evidenced by, and be repayable pursuant to the Note.

2.2 Interest Rate. The Note shall bear interest at a rate of five per cent (5%) per annum during the term of the Loan. Payment of principal and interest shall be due at the times and in the amounts specified in the Note.

2.3 Loan Forgiveness. Annual payments of principal and accrued interest shall be forgiven in each year that the Borrower maintains employment at the Facility of not less than those amounts set forth on the Term Sheet. For purposes of this Section 2.3, "employment at the Facility" includes employees of Borrower engaged in Borrower's business activities, even if the work being performed is not at the Facility on a full-time basis. In the event that Borrower fails to maintain employment at the Facility in accordance with the Term Sheet that creates a reduced number of positions, the Loan Forgiveness referenced in this section shall be proportionately reduced. For example, if Borrower is required to create ten positions and actually creates only five positions, the amount of the Loan Forgiveness would be reduced by 50% for such year.

2.4 Security Agreement and Account Control Agreement. In connection with the Loan and the Note, Borrower shall also enter into a Security Agreement and an Account Control Agreement in the forms attached hereto as **Exhibit E and F** (respectively, the "Security Agreement" and the "Account Control Agreement").

2.5 Disbursements and Withdrawals from the Segregated Account.

a) Initial Disbursement of Project Funds. Upon execution of this Agreement and the Loan Documents, City will disburse the Project Funds (\$250,000.00) via wire transfer to U.S. Bank Account No. X-XXX-XXXX-0776 (the "Segregated Account"). Borrower shall not make any deposits into the Segregated Account other than the Project Funds. Withdrawal of Project Funds from the Segregated Account shall be subject to the terms of this Agreement, the Account Control Agreement and pursuant to procedures reasonably satisfactory to City's Commissioner of City Development).

b) Withdrawals from the Segregated Account for Work, Materials and Services.

1. All requests for withdrawals from the Segregated Account shall be delivered in writing to:

MEDC
Attn: Tracy Luber
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

In the event of Ms. Luber's unavailability, withdrawal requests shall be sent to the attention of Deputy Commissioner, Martha Brown.

2. Each withdrawal request shall itemize the work, materials or equipment that will be purchased or paid for with the funds from said withdrawal. City shall approve, deny, or request additional information regarding each withdrawal request within three (3) business days following receipt. When withdrawals are approved, City shall immediately transmit the necessary authorization to U.S. Bank pursuant to the terms of the Account Control Agreement.
3. Notwithstanding the foregoing, for those items described in the Security Agreement as "Collateral," the City may condition its approval of withdrawals for said items on the receipt of information or documentation necessary for the securing and perfection of City's security interest in those items.
4. Within thirty (30) days following each approved withdrawal from the Segregated Account, Borrower shall deliver to City, at the address noted in Sec. 2.5(b)1.:
 1. Copies of paid invoices for all work, materials, and equipment paid for with the prior withdrawal;
 2. Lien waivers for all lienable expenses and materials paid for with the prior withdrawal;
 3. A report or a certification by Borrower certifying that work and/or services have been completed and materials/equipment are in place as indicated by the prior request for withdrawal;
 4. A copy of the most recent statement for Wells Fargo Bank Account XXXXXX6336.

If City discovers a misstatement or deficiency in any of the documents provided by Borrower it may stop authorizations of further withdrawals until the misstatement or deficiency has been corrected.

2.6 Equity Investment. Borrower shall be required to make a matching cash investment of at least \$125,000.00 to constitute a cash "match" for the Loan. The cash applied towards this cash match requirement may be from any source other than Project Funds. Borrower shall submit to City documentation demonstrating that, over the term of the Loan, Borrower has made the required \$125,000.00 cash investment in the Project. Borrower shall annually submit financial statements and proof of the matching investment made in the prior calendar year in the form of receipts, paid invoices, bank statements or other evidence satisfactory to City's Commissioner of City Development that such expenditures have actually been made. In the event that Borrower fails to make such \$125,000.00 matching cash investment in the Project during the term of the Loan, the entire principal balance of the Loan plus all interest which would have otherwise accrued during the term of the Loan shall be immediately due and payable to City.

2.7 Terminations or Default. The entire principal loan balance and accrued interest on the Loan shall be due and payable upon the occurrence of an Event of Default.

ARTICLE III BORROWER'S REPRESENTATIONS AND WARRANTIES

In order to induce City to make the Loan, Borrower represents and warrants to City as follows:

3.1 Loan Purpose. The proceeds of the Loan will be applied solely to finance Eligible Project Costs. Loan proceeds shall not be used to pay for work, materials or equipment provided by any of Borrower's shareholders or officers or by any entity that Borrower's shareholders or officers are affiliated with as members, shareholders, owners or officers. Borrower may, however, use Project Funds to pay for materials provided by entities that Borrower's shareholders or officers are affiliated with provided said entity's or individual's interest in the Borrower entity is equal to or less than 10% and provided that Borrower discloses said interest and provides the City with supporting documentation confirming compliance with this Section.

3.2 Borrower. Borrower is a corporation legally formed and validly existing under the laws of the State of Wisconsin and has filed the required annual report with the State for the most recently completed report year and has obtained a Certificate of Authority to transact business in the State of Wisconsin.

3.3 Authorizations and Binding Effect. The execution and delivery by Borrower of the Loan Documents to which it is a party, and the performance by Borrower of its obligations there under, are within its corporate power, have been duly authorized by proper action on the part of Borrower's Board of Directors, are not in violation of any existing law, rule or regulation of any governmental agency or authority, any order or decision of any court, Borrower's Articles of Incorporation and Bylaws, or the terms of any agreement, restriction or undertaking to which Borrower is a party or by which it is bound, and do not require the approval or consent of any governmental body, agency or authority or any other person or entity. The Loan Documents to which Borrower is a party, when executed and delivered, will constitute the valid and binding obligations of Borrower enforceable in accordance with their terms and conditions, except as limited by bankruptcy, insolvency or similar laws of general application affecting the

enforcement of creditors' rights and except to the extent that general principles of equity might affect the specific enforcement of such Loan Documents.

3.4 Litigation. There is no litigation or administrative proceeding pending or, to the knowledge of Borrower, threatened against or affecting the Borrower or the properties of Borrower, which if determined adversely, would have a material, adverse effect upon the business, financial condition or properties of Borrower.

3.5 Accuracy of Information. All information furnished by Borrower to City is true, correct and complete in all material respects as of the date furnished and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information not misleading.

3.6 No Default. There exists no default under the terms of any material agreement instrument evidencing indebtedness for borrowed money to which Borrower is a party.

ARTICLE IV CONDITIONS FOR BORROWING AND FORGIVENESS

City's obligation to make the Loan and forgive subsequent repayments of the Loan is subject to the satisfaction of the following conditions:

4.1 On or Before the Closing Date. City shall have received the following, all in form and content satisfactory to City's Commissioner of City Development:

- a) The Note, duly executed by Borrower.
- b) This Agreement, duly executed by Borrower.
- c) The Security Agreement, duly executed by Borrower.

4.2 Borrower, at the time of the disbursement of funds hereunder, being in compliance with all of the terms and conditions set forth herein on its part to be observed or performed, and no Event of Default, as specified hereinafter, nor any event which upon notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing at the time of such disbursement; and,

4.3 City's obligation to forgive repayments of the Loan is conditioned upon Borrower's satisfaction of the following:

- a) Employment Minimum. Borrower shall have maintained employment at the Facility of not less than those numbers of fulltime equivalent positions as of the dates set forth in the Term Sheet. The term "employment at the Facility" includes employees of Borrower engaged in Borrower's business activities, even if the work being performed is not at the Facility on a full-time basis.
- b) Compliance Certificate. On or before February 1st of each year beginning with February 1, 2012, Borrower shall have delivered to City a job

creation Compliance Certificate in the form attached as **Exhibit B**, duly executed by Borrower and verifying the employment levels as of December 31, of the previous year.

- c) There shall have not occurred and be continuing an Event of Default.

ARTICLE V BORROWER'S AFFIRMATIVE COVENANTS

Borrower covenants that until the Note has been paid in full:

5.1 Use of Facility. The Facility shall be used primarily as an urban farm.

5.2 Condition of Facility. Borrower shall keep the Facility in good condition, repair and working order and in compliance with all applicable standards of the City's Building Code and in compliance with all laws, ordinances and regulations affecting the Facility.

5.3 Inspection. Borrower shall permit City to inspect the Facility during regular working hours or at other mutually agreed upon times.

5.4 Use of Project Funds. Borrower shall utilize the Project Funds only for the Eligible Project Costs.

5.5 Books and Records. Borrower shall keep and maintain such books, records and other documents as may be reasonably necessary to reflect and disclose fully the amount and disposition of the proceeds of the Loan, the total cost of activities paid for, in whole or in part, with the proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources.

5.6 Audits. All such books, records and other documents maintained by Borrower under Section 5.5 shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of City.

ARTICLE VI BORROWER'S NEGATIVE COVENANTS

Borrower covenants that, without the prior written consent of City, it will not, until the Note has been paid or discharged in full pursuant to its terms and conditions:

6.1 Limitations on Transfers. Sell, transfer, or assign any ownership interest in itself or the Facility without the prior written consent of City. City consent shall not be required for the sale of additional stock provided said sale does not alter the majority ownership of the Borrower entity.

6.2 Discrimination Prohibited. Commit or participate in committing any act of discrimination against any person on the basis of race, color, sexual orientation, sex, age, disability, lawful source of income, marital status, familial status, or national origin or ancestry in connection with the rehabilitation or use of the Facility.

6.3 Lease. Breach, default, terminate, or reduce the term of Borrower's lease of the Facility.

ARTICLE VII EVENTS OF DEFAULT; REMEDIES.

7.1 Events of Default. The occurrence of any of the following shall constitute an Event of Default:

- a) Failure to Pay Note. Borrower's failure to pay principal or interest due on the Note within ten (10) days after written notice from City that the same has become due and payable; or
- b) Falsity of Representations and Warranties. Should any representation or warranty made in any Loan Document be false in any material respect on the date as of which made or as of which the same is to be effective; or
- c) Breach of Covenants and Agreements. Borrower's failure to comply with any covenant or agreement contained herein and continuance of such default for a period of thirty (30) days after written notice to Borrower from City (or such longer period as may be agreed to in writing by City).
- d) Insolvency or Bankruptcy. Borrower's becoming insolvent or the subject of insolvency proceedings, failure generally to pay its debts as and when the same become due, making an assignment for the benefit of creditors, or having a receiver, trustee, custodian or other similar official appointed for, or take possession of, any substantial portion of Borrower's property; or Borrower taking any corporate action to authorize it to become the subject of proceedings under the U.S. Bankruptcy Code (the "Code"), executing or filing of a petition to become a debtor under the Code, has an involuntary petition under the Code filed against which remains undismissed for a period of 60 days or becoming the subject of an order for relief entered pursuant to the Code.

7.2 Remedies. Upon the occurrence of an Event of Default, the Note shall, upon written notice from City, become, immediately due and payable in full. Presentment, demand, protest and notice of nonpayment and dishonor are hereby expressly waived.

7.3 Waiver. City may waive any Event of Default without waiving any other subsequent or prior Event of Default by the Borrower. No delay on the part of City or any subsequent holder of the Note in exercising any right, power or privilege hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein described are cumulative and not exclusive of any other rights or remedies which City may otherwise have.

ARTICLE VIII INDEMNIFICATION OF CITY

Borrower shall indemnify and hold harmless City, its officers, employees, officials and agents from and against any and all losses, claims, damages, expenses and all suits in equity or actions at law (including reasonable counsel fees) and liabilities arising from, in connection with, or as a result of the operation, construction or maintenance of the Project or any actions of the Borrower undertaken pursuant to this Agreement. Nothing in the foregoing indemnity shall protect City against its own default, negligence, or willful misconduct.

ARTICLE IX MISCELLANEOUS

9.1 Survival. The agreements, representations and warranties contained herein shall survive closing and execution and delivery of the Loan Documents.

9.2 Expenses. Borrower agrees, whether or not the transaction hereby contemplated shall be consummated or the Loan disbursed, to pay reasonable out-of-pocket expenses incurred by City in connection with the administration, amendment or enforcement of any Loan Document.

9.3 Notices. All notices provided for herein shall be in writing and shall be (a) delivered or (b) sent by express or first class mail; and, if to City, addresses it at:

MEDC
Attn: Tracy Luber
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

With copy to:
City of Milwaukee
Department of City Development
809 North Broadway
Milwaukee, Wisconsin 53202
Attn: Commissioner

And, if to Borrower, address it at:

Sweet Water Organics, Inc.
P.O. Box 170927
Whitefish Bay, WI 53211
Attn: Josh Fraundorf

Or to such other address with respect to either party as such party shall notify the other in writing; such notices shall be deemed given when delivered or mailed.

9.4 Titles. The titles of sections in this Agreement are for convenience only and do not limit or construe the meaning of any section.

9.5 Parties Bound. The provisions of this Agreement shall inure to the benefit of and be binding upon any successor of any of the parties hereto and shall extend and be available to any holder of the Note.

9.6 Governing Law. This Agreement is being delivered in and shall be deemed to be a contract governed by the laws of the State of Wisconsin and shall be interpreted and enforced in accordance with the laws of Wisconsin.

9.7 Entire Agreement. This Agreement and the other Loan Documents shall constitute the entire agreement of the parties pertaining to the subject matter hereof and shall supersede all prior or contemporaneous agreements and understandings of the parties in connection therewith.

9.8 Limitation on Waivers. If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive the same or other or any future breach hereunder on any other occasion. No remedy herein conferred upon or reserved to City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by virtue of other contracts. No delay or omission to exercise any right or power available upon the occurrence of any Event of Default 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. To entitle City to exercise any remedy reserved or available to it, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

9.9 Amendments. This Agreement shall not be effectively amended, changed, modified, altered or terminated and no modification, alteration or amendment to this Agreement shall be binding upon either party hereto until such modification, alteration or amendment is reduced to writing and executed by both parties hereto.

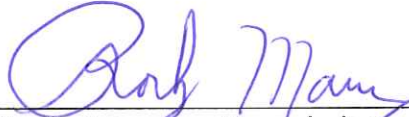
9.10 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were on the same instrument.

9.11 Severability. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provisions in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Agreement, shall not affect the remaining portions of this Agreement, or any part thereof.

[Signatures on Following Pages]


WHEREOF, the parties have executed this Agreement as of the day, month and year first above:

CITY:

By: 
Rocky Marcoux, Commissioner
Department of City Development

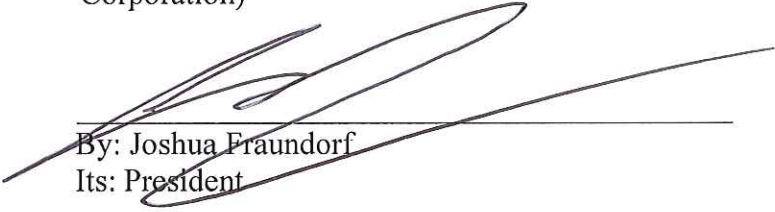
Authorized Pursuant to Common Council
Resolution File # 101375

COUNTERSIGNED:


DEPUTY City Comptroller *th*

BORROWER:

SWEET WATER ORGANICS, INC. (A Wisconsin Corporation)


By: Joshua Fraundorf
Its: President

Approved as to form and execution
this 8 day of August, 2011


Assistant City Attorney

1050-2011-1442:169736

EXHIBITS

Exhibit A	Term Sheet
Exhibit B	Compliance Certificate
Exhibit C	Eligible Project Costs
Exhibit D	Note
Exhibit E	Security Agreement
Exhibit F	Account Control Agreement

EXHIBIT A

TERM SHEET

Sweet Water Organics, Inc.
April 19, 2011

*Borrower: Sweet Water Organics, Inc.

*Lender: City of Milwaukee

*Loan Amount: \$250,000

*Use of Funds: Expand the current Sweet Water facility located at 2151 S. Robinson with the intention of increasing fish, plant and compost production capacity. This expansion will create additional jobs, both in the Sweet Water facility as well as jobs associated with the existing and potential purveyors of Sweet Water's goods throughout the marketplace.

*Interest Rate: 5%

*Term: 4 years

*Principal Amortization: \$62,500 per year

*Payments: Annual payments of the principal and accrued interest.

*Loan Forgiveness: Annual payment of principal and accrued interest shall be forgiven for the year if the Borrower strives to achieve and maintains employment levels as follows:

December 31, 2011:	10 positions
December 31, 2012:	21 positions
December 31, 2013:	35 positions
December 31, 2014:	45 positions

*Loan Approval: Loan is subject to approval by the Common Council of the City of Milwaukee. Source of funds is the City's Development Fund Account No. 9990-UR03311000A.

EXHIBIT B

Employment Compliance Certificate

Sweet Water Organics, Inc.
Employment within the City of Milwaukee
Employment as of December 31, 201__

	Projected	Actual
Fulltime Positions*		
Total Positions**		

*Positions at the 2151 South Robinson Avenue, Milwaukee location only.

**Please attach a copy of the Wisconsin Unemployment UC 101
Quarterly Contribution Report (cover page only) filed for December 31, 2011.

I have reviewed the above employment and hereby certify that the information is correct:

Sweet Water Organics, Inc.

Name (Print) _____

Title: _____

Phone: _____

Signature: _____

Date: _____

EXHIBIT C

Eligible Project Costs

(1) Increased Fish Production:

- Filtration and Clarifiers=\$12,255.00 in Material and \$16,250.00 in Labor
- Charlie Price expert design and consulting=\$12,095.00 for four weeks of consulting
- Outdoor triple tanks= \$17,435.00 in Material, \$13,855.00 in labor, \$8,455.00 plumbing, and \$5,255.00 in Electric
- Acquisition of 50,000 new fish= \$18,900.00

Increased sprout & Vegetable Production:

(2) Complete outdoor construction of 7 hoop houses

= \$19,955.00 in Labor, \$7,900 in Plumbing, and \$9,645.00 in Electric

(3) Sprout Room

= \$19,855.00 in materials, \$11,300.00 in Labor, \$4,230.00 in Plumbing, and \$3,115.00 in Electric

(4) Construction of Compost area:

--Concrete Slab Labor and Materials=\$10,150.00,
\$9,600.00 for Labor to erect 10x200 pole building,
\$9,875.00 for materials for structure and metal roofs.

--Kioti DK55 4wd Compact Tractor=\$23,500.00

\$10,500 for Ford F250 truck

\$6,900 for 12ft hydraulic dump

Note: The Commissioner of City Development may approve adjustments to the above-stated eligible costs in the event actual costs come in higher (or lower) than estimated.

Exhibit D

NOTE

\$250,000

Milwaukee, Wisconsin
August _____, 2011

FOR VALUE RECEIVED, Sweet Water Organics, Inc., a Wisconsin corporation ("Maker") promises to pay to the order of the City of Milwaukee, Milwaukee, Wisconsin, or any future holder hereof ("Payee"), the principal sum of Two Hundred Fifty Thousand U.S. Dollars (\$250,000.00) pursuant to the terms of that certain Loan Agreement ("Loan Agreement") dated on a date even herewith, entered into by Maker and Payee. Principal and interest due hereunder shall be paid as follows:

1. Interest on the principal balance of the loan evidenced by this Note shall accrue at the rate of five percent (5%) per annum.
2. All payments under this Note shall be applied first to the payment of interest then due and the balance, if any, to principal. Interest will be calculated on the outstanding principal balance on the basis of a 360-day year comprised of twelve 30-day months to the date of receipt by Payee. If any payment received is less than interest due to the effective date of receipt of such payment, Payee reserves the right to add any such deficiency to principal.
3. Principal and interest shall be due and payable in four (4) annual installments (singularly, the "Annual Payment") based upon a principal amortization of Sixty-Two Thousand Five Hundred (\$62,500.00) per year. Such payments shall be made beginning on March 1, 2012 and ending on March 1, 2015.

Notwithstanding any other term or provision of this Note to the contrary, the Annual Payment shall be forgiven in each year Maker maintains employment at the facility located at 2151 South Robinson Avenue, Milwaukee, Wisconsin, ("Facility") of not less than those numbers set forth on the Term Sheet attached as Exhibit A to the Loan Agreement (the "Employment Requirement"). The term "employment at the Facility" includes employees of Borrower engaged in Borrower's business activities, even if the work being performed is not at the Facility on a full-time basis. As a condition of forgiveness of the Annual Payment, Maker shall submit to Payee (i) a job creation Compliance Certificate in the form of the certificate attached as Exhibit C to the Loan Agreement, duly executed by Maker, and (ii) a copy of the year end UCT 101 'Quarterly Contribution Report to be filed with Quarterly Wage Report', Cover Page only.) iii) Such other information to evidence its satisfaction of the Employment Requirement as the City of Milwaukee may reasonably require.

All payments of principal and interest due hereunder shall be paid to Payee at 809 North Broadway, Milwaukee, Wisconsin 53202, Attention: Commissioner or to such other person or at such other address as Payee may from time to time direct.

The entire outstanding balance of principal, if not sooner paid or forgiven, together with all interest accrued thereon shall be due and payable as provided in the Loan Agreement.

This Note may be prepaid in full or in part at any time without penalty, provided that such prepayment must be accompanied by any unpaid and accrued interest.

Upon the occurrence of an Event of Default under the Loan Agreement, provided such Event of Default has not been cured to the reasonable satisfaction of Payee within the applicable cure period, the entire outstanding principal balance plus accrued interest shall, at the option of Payee, and without notice, notice being hereby expressly waived, mature and be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at a later time or upon the occurrence of any subsequent Event of Default.

Maker waives and renounces presentment, protest, demand and notice of dishonor and any and all lack of diligence or delay in collection or endorsement hereof, and expressly consents to any extension of time, release of any party liable for these obligations, release of any security which may have been or which may hereafter be granted in connection herewith, or any other indulgence or forbearance which may be made without notice to Maker and without in any way affecting the liability of Maker.

If any Annual Payment due under this Note or any payment required under the Loan Agreement is not fully paid within fifteen (15) days after the date due, Maker shall pay to Payee a late charge equal to five percent (5%) of such installment payment, to compensate Payee for the extra cost of handling delinquent payments. Neither the requirement that such late charge be not paid, nor the payment of the late charge, will be deemed to be a waiver of a default arising from the late payment.

Nothing contained herein nor any transaction related hereto shall be construed or shall so operate either presently or prospectively (a) to require the payment of interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (b) to require the payment or the doing of any act contrary to law; but if any clause or provision herein contained shall otherwise so operate to invalidate this Note and/or the transaction related hereto, in whole or in part, then such clause(s) and provision(s) only shall be held for naught as though not contained herein and the remainder of this Note shall remain operative and in full force and effect.

If for any reason interest in excess of the amount as limited in the foregoing paragraph shall have been paid hereunder, whether by reason of acceleration or otherwise, then in that event any such excess interest shall constitute and be treated as a payment of principal hereunder and shall operate to reduce such principal by the amount of such excess on the date received by Payee, or if in excess of the then principal indebtedness, such excess shall be refunded.

All of the covenants contained herein shall bind, and the benefits hereof shall also inure to the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders. The rights and remedies of Payee as

provided in this Note shall be cumulative and concurrent, and may be pursued singularly, successively or together against Maker, at the discretion of Payee.

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

The Maker agrees that if, and as often as, this Note is placed in the hands of an attorney for collection, or to defend or enforce any of the Payee's rights hereunder or under any document securing this Note, whether or not litigation is commenced, the undersigned shall pay to Payee, Payee's reasonable attorney's fees, together with all court costs and other expenses incurred or paid by Payee in connection therewith.

IN WITNESS WHEREOF, the undersigned Maker has executed this Note as of the date first above.

Sweet Water Organics, Inc.

By: _____

Exhibit E

SECURITY AGREEMENT

Debtor/Borrower	Sweet Water Organics, Inc.
Secured Party	City of Milwaukee
Date	
Note Amount	\$250,000.00

1. DEFINITIONS.

Unless otherwise specified, all terms used in this Agreement will have the meanings ascribed to them under the Official Text of the Uniform Commercial Code, as it may be amended from time to time, (“UCC”).

2. GRANT OF SECURITY INTEREST.

For value received, the Debtor grants to the Secured Party a security interest in the property described below in paragraph 4 (the “Collateral”).

3. OBLIGATIONS SECURED.

This Agreement secures the payment and performance of: (a) all obligations under a Note dated _____, made by Sweet Water Organics, Inc., made payable to the City of Milwaukee, in the amount of \$250,000.00 (“Note”), including all costs and expenses (including reasonable attorney’s fees), incurred by Secured Party in the disbursement, administration and collection of the loan evidenced by the Note; (b) all costs and expenses (including reasonable attorney’s fees), incurred by Secured Party in the protection, maintenance and enforcement of the security interest hereby granted; (c) all obligations of the Debtor in any other agreement relating to the Note; and (d) any modifications, renewals, refinancings, or extensions of the foregoing obligations.

The Note and all other obligations secured hereby are collectively called the “Obligations.”

4. COLLATERAL DESCRIPTION.

The Collateral in which this security interest is granted is all of the Debtor’s property described below, now owned or hereafter acquired.

- a. Outdoor triple tanks [describe further, add serial numbers if applicable]
- b. Filtration and Clarifier Equipment [describe further, add serial numbers if applicable]
- c. Tractor [Need Make, Model, Year, VIN #]
- d. Pick-up Truck [Need Make, Model, year, VIN #]
- e. Hydraulic Dump [Need Make, Model, Year, VIN #]

5. RESTRICTIONS ON COLLATERAL TRANSFER.

Debtor will not sell, lease, license or otherwise transfer (including by granting security interests, liens, or other encumbrances in) all or any part of the Collateral or Debtor’s interest in the Collateral without Secured Party’s written or approval.

6. MAINTENANCE AND LOCATION OF COLLATERAL; INSPECTION; INSURANCE.

Debtor must promptly notify Secured Party by written communication of any change in location of the Collateral, specifying the new location. Debtor hereby grants to Secured Party the right to inspect the Collateral at all reasonable times and upon reasonable notice. Debtor must: (a) maintain the Collateral in good condition; (b) pay promptly all taxes, judgments, or charges of any kind levied or assessed thereon; (c) keep current all rent or mortgage payments due, if any, on premises where the Collateral is located; and (d) maintain hazard insurance on the Collateral, with an insurance company and in an amount approved by Secured Party (but in no event less than the replacement cost of that Collateral), and including such terms as Secured Party may require including a Lender's Loss Payable Clause in favor of Secured Party. Debtor hereby assigns to Secured Party any proceeds of such policies and all unearned premiums thereon and authorizes and empowers Secured Party to collect such sums and to execute and endorse in Debtor's name all proofs of loss, drafts, checks and any other documents necessary for Secured Party to obtain such payments.

7. CHANGES TO DEBTOR'S LEGAL STRUCTURE, PLACE OF BUSINESS, JURISDICTION OF ORGANIZATION, OR NAME.

Debtor must notify Secured Party by written communication not less than 30 days before taking any of the following actions: (a) changing or reorganizing the type of organization or form under which it does business; (b) moving, changing its place of business or adding a place of business; (c) changing its jurisdiction of organization; or (d) changing its name. Debtor will pay for the preparation and filing of all documents, Secured Party deems necessary to maintain, perfect and continue the perfection of Secured Party's security interest in the event of any such change.

8. PERFECTION OF SECURITY INTEREST.

Debtor consents, without further notice, to Secured Party's filing or recording of any documents necessary to perfect, continue, amend or terminate its security interest. Upon request of Secured Party, Debtor must sign or otherwise authenticate all documents that Secured Party deems necessary at any time to allow Secured Party to acquire, perfect, continue or amend its security interest in the Collateral. Debtor will pay the filing and recording costs of any documents relating to Secured Party's security interest. Debtor ratifies all previous filings and recordings, including financing statements and notations on certificates of title. Debtor will cooperate with Secured Party in obtaining a Control Agreement satisfactory to Secured Party with respect to any Deposit Accounts or Investment Property, or in otherwise obtaining control or possession of that or any other Collateral.

9. DEFAULT.

Debtor is in default under this Agreement if: (a) Debtor fails to pay, perform or otherwise comply with any provision of this Agreement; (b) Debtor makes any materially false representation, warranty or certification in, or in connection with, this Agreement, the Note, or any other agreement related to the Note or this Agreement; (c) another secured party or judgment creditor exercises its rights against the Collateral; or (d) an event defined as a "default" under the Obligations occurs. In the event of default and if Secured Party requests, Debtor must assemble and make available all Collateral at a place and time designated by Secured Party. Upon default and at any time thereafter, Secured Party may declare all Obligations secured hereby immediately due and payable, and, in its sole discretion, may proceed to enforce payment of same and exercise any of the rights and remedies available to a secured party by law including those available to it under Article 9 of the UCC that is in effect in the jurisdiction where Debtor or the Collateral is located. Unless otherwise required under applicable law, Secured Party has no obligation to clean or otherwise prepare the Collateral for sale or other disposition and Debtor waives any right it may have to require Secured Party to enforce the security interest or payment or performance of the Obligations against any other person.

10. GOVERNING LAW.

Debtor and Secured Party agree that this Agreement will be governed by the laws of the State of Wisconsin, including the Wisconsin Uniform Commercial Code and without reference to its conflicts of laws principles.

11. SECURED PARTY RIGHTS.

All rights conferred in this Agreement on Secured Party are in addition to those granted to it by law, and all rights are cumulative and may be exercised simultaneously. Failure of Secured Party to enforce any rights or remedies will not constitute an estoppel or waiver of Secured Party's ability to exercise such rights or remedies. Unless otherwise required under applicable law, Secured Party is not liable for any loss or damage to Collateral in its possession or under its control, nor will such loss or damage reduce or discharge the Obligations that are due, even if Secured Party's actions or inactions caused or in any way contributed to such loss or damage.

12. SEVERABILITY.

If any provision of this Agreement is unenforceable, all other provisions remain in effect.

13. DEBTOR CERTIFICATIONS.

Debtor certifies that: (a) its Name (or Names) as stated above is correct; (b) all Collateral is or will be owned or titled in the Debtor's name and not in the name of any other organization or individual; (c) Debtor has the legal authority to grant the security interest in the Collateral; (d) Debtor's ownership in or title to the Collateral is free of all adverse claims, liens, or security interests (unless expressly permitted by Secured Party); (e) none of the Obligations are or will be primarily for personal, family or household purposes; (f) none of the Collateral is or will be used, or has been or will be bought primarily for personal, family or household purposes; and (g) Debtor has read and understands the meaning and effect of all terms of this Agreement.

14. DEBTOR NAME(S) AND SIGNATURE(S).

By signing or otherwise authenticating below, each individual and each organization becomes jointly and severally obligated as a Debtor under this Agreement.

[INSERT APPROPRIATE SIGNATURE LINES]

Exhibit F

Account Control Agreement

[Attached]



BLOCKED ACCOUNT CONTROL AGREEMENT

This Blocked Account Control Agreement (this "Agreement") is dated as of July 29, 2011, and entered into by and among Sweet Water Organics, Inc. ("Company"), the City of Milwaukee ("Lender") and U.S. BANK NATIONAL ASSOCIATION ("Depository Bank").

1 **Deposit Account.** Pursuant to certain agreements between Company and Lender, Company has granted to Lender a security interest in all rights of Company with respect to account(s) number 1 823 7505 0776 (such account(s), together with all substitutions and replacements therefor, the "Deposit Account") located at Depository Bank and subject to the terms of the Deposit Agreements (as hereinafter defined). The terms and conditions of this Blocked Account Control Agreement (this "Agreement") are in addition to any deposit account agreements and other related agreements that Company has with Depository Bank, including without limitation all agreements concerning banking products and services, treasury management documentation, account booklets containing the terms and conditions of the Deposit Account, signature cards, fee schedules, disclosures, specification sheets and change of terms notices (collectively, the "Deposit Agreements"). The provisions of this Agreement shall supersede the provisions of the Deposit Agreements only to the extent the provisions herein are inconsistent with the Deposit Agreements, and in all other respects, the Deposit Agreements shall remain in full force and effect. All items deposited into the Deposit Account shall be processed according to the provisions of the Deposit Agreements, as amended by this Agreement.

2. **Security Interest.** Company has granted to Lender a security interest in, among other property, the Deposit Account and all credits or proceeds thereto and all monies, checks and other instruments held or deposited therein (all of which shall be included in the definition of the "Deposit Account"). Company represents and warrants that it has the legal right to pledge the Deposit Account to Lender, that the funds in the Deposit Account are not held for the benefit a third party, and that that there are no perfected liens or encumbrances with respect to the Deposit Account. Company covenants with Lender that it shall not enter into any acknowledgment or agreement that gives any other person or entity except Lender control over, or any other security interest, lien or title in, the Deposit Account.

3. **Control.** In order to provide Lender with control over the Deposit Account, Company agrees that Depository Bank shall comply with any and all orders, notices, requests and other instructions originated by Lender directing disposition of the funds in the Deposit Account without any further consent from Company, even if such instructions are contrary to any of Company's instructions or demands or result in Depository Bank dishonoring items which may be presented for payment. Company agrees that instructions from Lender may include the giving of stop payment orders for any items presented to the Deposit Account, instructions to transfer funds to or for the benefit of Lender or any other person or entity, and instructions to close the Deposit Account.

4. **Access to Deposit Account. [CHECK ONE BOX ONLY]**

(a) The Deposit Account shall be under the sole dominion and control of Lender. Neither Company, nor any other person or entity, acting through or under Company, shall have any control over the use of, or any right to withdraw any amount from, the Deposit Account without written authorization from Lender. Lender's agent for purposes of authorizing withdrawals shall be MEDC, by Tracy Luber or her designee. Depository Bank is hereby authorized and instructed to transfer all funds (subject to Depository Bank's funds availability policy) in the Deposit Account to a designated account as Lender may direct in writing to Depository Bank.

- (b) The Deposit Account shall be under the control of Lender; provided, that unless and until Depository Bank receives Lender's written notice that Company's access to the funds in the Deposit Account is terminated, Depository Bank shall honor Company's instructions, notices and directions with respect to the transfer or withdrawal of funds from the Deposit Account, including paying or transferring the funds to Company or any other person or entity.

Upon receipt of a written notice from Lender instructing Depository Bank to terminate Company's access to funds in the Deposit Account, Depository Bank shall transfer all funds (subject to Depository Bank's funds availability policy) in the Deposit Account to a designated account in accordance with Lender's written instructions. Lender shall promptly contact Depository Bank to confirm Depository Bank's receipt of Lender's written instructions. Any written notice sent pursuant to this Section 4(b) and confirmed to have been received after Depository Bank's business hours shall not be deemed sent until the next business day. Depository Bank shall have a reasonable time to act on Lenders' written notice.

5. **Subordination by Depository Bank.** Company and Depository Bank acknowledge notice of and recognize Lender's continuing security interest in the Deposit Account and in all items deposited in the Deposit Account and in the proceeds thereof. Depository Bank hereby subordinates any statutory or contractual right or claim of offset or lien resulting from any transaction which involves the Deposit Account if Section 4(a) is checked above or upon confirmation of Depository Bank's receipt of Lender's notice under Section 4(b). Notwithstanding the preceding sentence, nothing herein constitutes a waiver of, and Depository Bank expressly reserves all of its present and future rights with respect to: (i) fees and expenses ("Fees") related to the Deposit Account; (ii) any checks, ACH entries, wire transfers, merchant card transactions, or other paper or electronic items which were deposited or credited to the Deposit Account that are returned, reversed, refunded, adjusted or charged back for insufficient funds or for any other reason ("Returned Items"); (iii) obligations and liabilities connected with the Deposit Account that arise out of any treasury management services provided by Depository Bank, its subsidiaries or affiliates, including but not limited to, ACH, merchant card, zero balance account, sweeps, controlled disbursement or payroll ("Overdrafts"). Depository Bank may charge the Deposit Account or other accounts of Company maintained at Depository Bank to cover Fees, Returned Items or Overdrafts. If there are insufficient funds in the Deposit Account or any of Company's other accounts to cover the Fees, Returned Items and Overdrafts, Company agrees to immediately reimburse Depository Bank for the amount of such shortfall. If Company fails to pay the amount demanded by Depository Bank, Lender agrees to reimburse Depository Bank within three (3) business days of demand thereof by Depository Bank for any Returned Items and Overdrafts to the extent Lender received payment in respect thereof pursuant to section 4.

6. **Indemnity.** Company agrees to defend, indemnify and hold Depository Bank and its directors, officers, employees, attorneys, successors and assigns (collectively "Depository Bank") harmless from and against any and all claims, losses, liabilities, costs, damages and expenses, including, without limitation, reasonable legal and accounting fees (collectively, "Claims"), arising out of or in any way related to this Agreement, excepting only liability arising out of Depository Bank's gross negligence or willful misconduct. Without regard to Company's indemnification obligations to Depository Bank, Lender agrees to reimburse Depository Bank for any Returned Items and Overdrafts (the proceeds of which were received by Lender). Lender agrees to hold Depository Bank harmless from and against any and all Claims arising out of Depository Bank's compliance with Lender's instructions. Lender's obligations to Depository Bank hereunder shall in no way operate to release Company from its obligations to Lender and shall not impair any rights or remedies of Lender to collect any such amounts from Company. IN NO EVENT WILL DEPOSITARY BANK BE LIABLE FOR ANY INDIRECT DAMAGES, LOST PROFITS, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES WHICH ARISE OUT OF OR IN CONNECTION WITH THE SERVICES CONTEMPLATED BY THIS AGREEMENT EVEN IF DEPOSITARY BANK HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.

7. **Depository's Bank's Responsibility.** The duties of Depository Bank are strictly limited to those set forth in this Agreement and Depository Bank is not acting as a fiduciary for any party hereto.

Depository Bank shall be protected in relying on any form of instruction, notice, or other communication purporting to be from an authorized representative of Lender which Depository Bank, in good faith, believes to be genuine and what it purports to be. Depository Bank shall have no duty to inquire as to the genuineness, validity, or enforceability of any such instruction, notice or communication even if Company notifies Depository Bank that Lender is not legally entitled to originate any such instruction, notice or communication. The Deposit Account and all actions and undertakings by Depository Bank shall be subject to all rules and regulations relating to the Deposit Account and to applicable law. If requested by Lender, Company authorizes Depository Bank to provide to Lender a copy of the Deposit Account statement.

8. **Termination.** This Agreement shall not be terminable by Company so long as any obligations of Company to Lender are outstanding and unpaid. This Agreement may be terminated by Depository Bank upon thirty (30) days prior written notice to all parties; provided, however, that Depository Bank may terminate this Agreement immediately in the event Lender fails to make payments to Depository Bank in accordance with section 5 above. This Agreement may be terminated by Lender in a writing sent to Depository Bank in which Lender releases Depository Bank from any further obligation to comply with instructions originated by Lender with respect to the Deposit Account. Any available funds remaining in the Deposit Account upon termination or deposited in thereafter shall be transferred in accordance with the provisions of section 4 above after deduction for any amounts otherwise reimbursable to Depository Bank as provided hereunder. Termination shall not affect the rights and obligations of any party hereto with respect to any period prior to such termination.

9. **Legal Process and Insolvency.** In the event Depository Bank receives any form of legal process concerning the Deposit Account, including, without limitation, court orders, levies, garnishments, attachments, and writs of execution, or in the event Depository Bank learns of any insolvency proceeding concerning Company, including, without limitation, bankruptcy, receivership, and assignment for the benefit of creditors, Depository Bank will respond to such legal process or knowledge of insolvency in the normal course or as required by law.

10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. The parties agree that Minnesota is the "bank's jurisdiction" for purposes of the Uniform Commercial Code.

11. **Notices.** Except as otherwise provided in this Agreement, all notices and other communications required under this Agreement shall be in writing and may be personally served or sent by facsimile, overnight courier, or registered/certified United States Mail, and shall be deemed given when delivered in person, or received by facsimile, courier or United States Mail at the address specified below. Any party may change its address for notices hereunder by notice to all other parties given in accordance with this section 11.

Company: Sweet Water Organics, Inc.
P.O. Box 170927
Whitefish Bay, WI 53211
Attn: Josh Fraundorf
Facsimile: 414-962-6463
Telephone: 414-489-0425

Lender: City of Milwaukee
Department of City Development
809 North Broadway, Milwaukee, WI 53202
Attn: Martha Brown, Deputy Commissioner
Facsimile: 414-286-5467
Telephone: 414-286-5808

Depository Bank: U.S. Bank National Association
4701 Washington Avenue
Racine, WI 53406
Attn: John Todryk
Facsimile: 262-637-1912
Telephone: 262-638-8005

12. **Miscellaneous.** This Agreement shall bind and benefit the parties and their respective successors and assigns. This Agreement may be amended only with the prior written consent of all parties hereto. None of the terms of this Agreement may be waived except as Depository Bank may consent thereto in writing. No delay on the part of Depository Bank in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude other or further exercise thereof or the exercise of any right, power or privilege. The rights and remedies specified herein are cumulative and are not exclusive of any rights or remedies which Depository Bank would otherwise have.

13. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

14. **Jury Trial Waiver.** COMPANY, LENDER AND DEPOSITARY BANK HEREBY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDING ARISING OUT OF, OR RELATING TO, THIS AGREEMENT OR SERVICES RENDERED IN CONNECTION WITH THIS AGREEMENT.

SWEETWATER ORGANICS INC.
COMPANY

By: _____
Name: Joshua Fraundorf
Title: President

CITY OF MILWAUKEE
LENDER

By: _____
Name: Rocky Marcoux
Title: Commissioner of the Dept. of City Development

U.S. BANK NATIONAL ASSOCIATION
DEPOSITARY BANK

By: _____
Name: JOHN TODRYK
Title: CLIENT MANAGER