ELEVENTH REGULAR COMMON COUNCIL MEETING AGENDA

September 08, 2026 at 6:00 PM

City Hall, 3rd Floor - Council Chambers, 828 Center Avenue, Sheboygan, WI

Notice of the 11th Regular Meeting of the 2026-2027 Common Council.

This meeting may be viewed LIVE on:
Charter Spectrum Channel 990, AT&T U-Verse Channel 99 and:
www.wscssheboygan.com/vod.

Persons with disabilities who need accommodations to attend the meeting should contact Meredith DeBruin at the City Clerk's Office, 828 Center Avenue, (920) 459-3361. Members of the public who wish to participate in public forum remotely shall provide notice to the City Clerk at (920) 459-3361 by 12:00 p.m. on meeting day to be called upon during the meeting. All Alderpersons may attend the meeting remotely.

OPENING OF MEETING

1. **Call to Order**

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Approval of Minutes**
   Tenth Regular Council Meeting held on August 17, 2026

5. **Announcement**
   Board of Water Commissioners election to be held on September 21, 2026 (3-year term beginning October 1, 2026 and 2-year term to fulfill unexpired term)

6. **Mayoral Appointments**
   Liz Kroll to be considered for appointment to the Board of Housing Authority
   Annalise Flynn to be considered for appointment to the Mead Public Library Board
   Karl Nelson to be considered for appointment to the Senior Services Commission
   Quintin Zufelt to be considered for appointment to the Board of Zoning Appeals

7. **Confirmation of Mayoral Appointments**
   Tracy Brunette to be considered for appointment to the Board of Housing Authority (withdrawn)
   Brianna Born to be considered for appointment to the Mayor's International Committee
   Jess Thaichroen to be considered for appointment to the Mayor's International Committee

8. **Public Forum**
   Limit of five people having five minutes each with comments limited to items on this agenda.

9. **Presentation**
Pedestrian bridge update by HDR

10. **Mayor's Announcements**
Upcoming Community Events, Proclamations, Employee Recognitions

CONSENT

11. Report No. 22-26-27 by City Attorney Liz Majerus submitting the exit interview summary for the City of Sheboygan for Quarter 2 of 2026.

Voted 5-0 by Finance and Personnel Committee to recommend filing

12. Report No. 23-26-27 by City Attorney's Office submitting the City Attorney's Office Monthly Report for Quarter 2 of 2026.

Voted 5-0 by Finance and Personnel Committee to recommend filing

13. Report No. 24-26-27 by City Attorney's Office submitting the quarterly claims report.

Voted 5-0 by Finance and Personnel Committee to recommend filing

14. Res. No. 98-26-27 by Alderpersons Boorse and Heidemann authorizing the creation of a temporary Designated Outdoor Refreshment Area during the 2026 Riverfest event.

Voted 5-0 by Licensing, Hearings, and Public Safety Committee to recommend adoption

15. Res. No. 97-26-27 by Alderpersons Mitchell and Perrella authorizing the appropriate City officials to execute a joint agreement with Allyson Brunette Consulting and CP2 Consulting.

Voted 5-0 by Finance and Personnel Committee to recommend adoption

16. Res. No. 96-26-27 by Alderpersons Mitchell and Perrella authorizing the appropriate City officials to submit a grant application to Wisconsin Department of Natural Resources (DNR) Boating Infrastructure Grant (BIG) Tier 1 related to the marina infrastructure project.

Voted 5-0 by Finance and Personnel Committee to recommend adoption.

17. Res. No. 95-26-27 by Alderpersons Dekker and Kelly authorizing the Purchasing Agent to issue a purchase order for one (1) Hyster-Yale H60A forklift for the Motor Vehicle Division of the Department of Public Works.

Voted 5-0 by Public Works Committee to recommend adoption

18. Res. No. 94-26-27 by Alderpersons Mitchell and Perrella authorizing the Finance Director to issue a “Taxable Tax Increment Project Municipal Revenue Obligation (“MRO”) on such terms and conditions as set forth in that certain “Tax Incremental District Development Agreement” dated as of February 19, 2024, between the City of Sheboygan and Rabit Properties, LLC, a Wisconsin limited liability company, (the “Developer”) and attached hereto as EXHIBIT A (the “Development Agreement”).

Voted 5-0 by Finance and Personnel Committee to recommend adoption

19. Res. No. 93-26-27 by Alderpersons Mitchell and Perrella authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of June 16, 2025, between the City of Sheboygan and North Sixth Seventh, LLC, a Wisconsin limited liability company (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

Voted 5-0 by Finance and Personnel Committee to recommend adoption

20. Res. No. 92-26-27 by Alderpersons Mitchell and Perrella authorizing the appropriate City officials to enter into an Agreement with BoldPath Consulting, LLC for an Uptown Social Staffing and Organizational Review.

Voted 5-0 by Finance and Personnel Committee to recommend adoption

21. Res. No. 91-26-27 by Alderpersons Mitchell and Perrella authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of May 20, 2024 between the City of Sheboygan and Van Horn Properties of Sheboygan LLC, a Wisconsin limited liability company (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

Voted 5-0 by Finance and Personnel Committee to recommend adoption

22. Res. No. 90-26-27 by Alderpersons Mitchell and Perrella authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of February 20, 2024 between the City of Sheboygan and Malibu Apartments, LLC, a Wisconsin limited liability company (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

Voted 5-0 by Finance and Personnel Committee to recommend adoption

23. Res. No. 89-26-27 by Alderpersons Mitchell and Perrella authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of November 2024 between the City of Sheboygan and Luedke Apartments, LLC f/k/a Jakum Hall Apartments, LLC, a Wisconsin limited liability company (the "Developer") and the Redevelopment Authority of the City of Sheboygan, Wisconsin ("RDA") and attached hereto as EXHIBIT A (the "Development Agreement").

Voted 5-0 by Finance and Personnel Committee to recommend adoption

24. Res. No. 88-26-27 by Alderpersons Dekker and Kelly authorizing an amendment to the Foth Infrastructure and Environment, LLC agreement, dated April 12, 2024, to include services for additional design and construction administrative services for the Gartman Farm Subdivision Design.

Voted 5-0 by Public Works Committee to recommend adoption

RESOLUTIONS

25. Res. No. 99-26-27 by Alderperson Dekker adopting the updated City of Sheboygan Business Revolving Loan Fund Program Manual. SUSPEND THE RULES AND ADOPT THE RESOLUTION

OTHER MATTERS AUTHORIZED BY LAW

CLOSED SESSION

26. Motion to convene in closed session under the exemption contained in Wis. Stat. s. 19.85(1)(a) for the purpose of deliberation concerning the nonrenewal of Beverage Operator's License No. 5255 (David Pennebecker)
and
under the exemption contained in Wis. Stat. s. 19.85(1)(g), for the purpose of discussion related to a possible investment of public funds to wit: the City of Sheboygan's contract with Flock Safety.

OPEN SESSION

27. Motion to reconvene in open session

28. Report 25-26-27 by Licensing, Hearings, and Public Safety Committee submitting Findings of Fact and Conclusions of Law based upon testimony and exhibits presented at a Quasi-Judicial Hearing held on August 24, 2026 regarding Beverage Operator's License No. 5255 (David Pennebecker). ACCEPT AND FILE REPORT TO NONRENEW LICENSE NO. 5255

29. Res. No. 100-26-27 by Alderpersons Boorse and Heidemann directing city staff to terminate the City's agreement with Flock Group Inc., DBA Flock Safety, and to not appropriate funds in the 2027 budget for Flock Safety services. SUSPEND THE RULES AND ADOPT THE RESOLUTION

TENTATIVE DATE OF NEXT REGULAR MEETING

30. Next scheduled meeting: September 21, 2026 at 6:00 PM

ADJOURN MEETING

31. Motion to Adjourn

In compliance with Wisconsin's Open Meetings Law, this agenda was posted in the following locations more than 24 hours prior to the time of the meeting:

City Hall • Mead Public Library
Sheboygan County Administration Building • City's website

CITY OF SHEBOYGAN

TENTH REGULAR COMMON COUNCIL MEETING MINUTES

Monday, August 17, 2026

OPENING OF MEETING

1. Call to Order
   The meeting was called to order at 6:00 p.m.

2. Roll Call
   Alderpersons present: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell (remote), Perrella – 10.

3. Pledge of Allegiance

4. Approval of Minutes
   Ninth Regular Council Meeting held on August 3, 2026

   MOTION TO APPROVE THE MINUTES
   Motion made by Boorse, Seconded by Close.
   Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

5. Resignation
   Tomomi Kanemaru from the Mayor's International Committee effective August 23, 2026

   MOTION TO ACCEPT AND FILE
   Motion made by Boorse, Seconded by Close.
   Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

6. Resignation
   Bob Rank from the Housing Authority Board effective immediately

   MOTION TO ACCEPT AND FILE
   Motion made by Boorse, Seconded by Close.
   Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

7. Mayoral Appointments – Lays over
   Tracy Brunette to be considered for appointment to the Board of Housing Authority
   Brianna Born to be considered for appointment to the Mayor’s International Committee
   Jess Thaichroen to be considered for appointment to the Mayor’s International Committee

8. Announcement
   Board of Water Commissioners election to be held on September 21, 2026 (3-year term beginning October 1, 2026 and 2-year term to fulfill unexpired term)

9. Presentation - Postponed
   Historic Preservation Commission annual report to Council

10. Presentation
    Harbor Centre Marina Design by Edgewater Resources

11. Presentation
    Sheboygan Public Safety Departments - Design Development Progress

12. Public Forum
    Limit of five people having five minutes each with comments limited to items on this agenda. Michael Brunette, Fern Lomibao, Peter Mayer, and Kurt Kober spoke.

13. Mayor's Announcements
    Upcoming Community Events, Proclamations, Employee Recognitions

CONSENT

14. Res. No. 73-26-27 by Alderpersons Dekker and Kelly authorizing the Mayor and City Clerk to enter into a contract with Mashuda Contractors, Inc. for the Gartman Property Phase Bid Package 3 Construction.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

15. Res. No. 74-26-27 by Alderpersons Dekker and Kelly authorizing the Mayor and City Clerk to enter into an Addendum dated July 15, 2026, to the contract with Foth Infrastructure and Environment, LLC for FEMA Sub-Recipient Management Costs (SRMC) services related to the South Side Interceptor System (SIS) Rehab/Access Road/Shoreline Protection Program.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

16. Res. No. 72-26-27 by Alderpersons Dekker and Kelly authorizing the Purchasing Agent to issue a purchase order for one (1) John Deere Front-End Loader for the Motor Vehicle Division of the Department of Public Works.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

17. Res. No. 78-26-27 by Alderpersons Dekker and Kelly adopting a new Sheboygan Waterfront and Marina Master Plan and Schematic Design.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.

Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

18. Res. No. 77-26-27 by Alderpersons Mitchell and Perrella authorizing the appropriate City officials to file a summons and complaint against Andrew Cleveland, Middle Coast Dwellings LLC, and Attorneys Title and Closing Services LLC to recover money owed to the City for a Housing Rehabilitation Loan.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

19. Res. No. 79-26-27 by Alderpersons Mitchell and Perrella authorizing the appropriate City officials to execute an agreement with Savage Solutions, LLC.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

20. Res. No. 80-26-27 by Alderpersons Mitchell and Perrella authorizing the appropriate City officials to execute an agreement with Citibot, Inc.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

21. Res. No. 82-26-27 by Alderpersons Mitchell and Perrella authorizing the Mayor and City Clerk to enter into a termination and mutual release agreement relating to the Marriott Spring Garden Inn by Waterside Hospitality LLC.

    MOTION TO ADOPT THE RESOLUTION
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

22. Report 21-26-27 by Police Chief pursuant to section 30-50 of the Municipal Code, submitting the quarterly report showing the Benchmark Measurement for the Police Department for the period commencing April 1, 2026 and ending June 30, 2026.

    MOTION TO ACCEPT AND FILE
    Motion made by Boorse, Seconded by Close.
    Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

23. Report 20-26-27 by Fire Chief Eric Montellano pursuant to section 24-459 of the Municipal Code, submitting the quarterly report showing the Benchmark Measurements for the Fire Department, for the period commencing April 1, 2026 and ending June 30,

2026.

MOTION TO ACCEPT AND FILE
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

24. Res. No. 71-26-27 by Alderpersons Boorse and Heidemann approving alcohol beverage/tobacco licenses.

MOTION TO ADOPT THE RESOLUTION
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

RESOLUTIONS

25. Res. No. 83-26-27 by Alderpersons Boorse and Close authorizing the issuance and sale of up to $893,200 Taxable Private LSL Replacement Loan Program Revenue Bonds, Series 2026A, and providing for other details and covenants with respect thereto, and approval of related Financial Assistance Agreement.

MOTION TO SUSPEND THE RULES AND ADOPT THE RESOLUTION
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

26. Res. No. 84-26-27 by Alderpersons Boorse and Close authorizing the issuance and sale of up to $247,500 Taxable Private LSL Replacement Loan Program Revenue Bonds, Series 2026B, and providing for other details and covenants with respect thereto, and approval of related Financial Assistance Agreement.

MOTION TO SUSPEND THE RULES AND ADOPT THE RESOLUTION
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

27. Res. No. 85-26-27 by Alderpersons Boorse and Close authorizing the appropriate City officials to execute the Department of Natural Resources Principal Forgiveness Financial Assistance Agreement regarding DNR Project No. 4901-18.

MOTION TO SUSPEND THE RULES AND ADOPT THE RESOLUTION
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

28. Res. No. 76-26-27 by Alderpersons Boorse and Heidemann approving design development for the Public Safety Complex and authorizing the appropriate City officials to proceed with the preparation of construction documents in cooperation with Wendel Company.

MOTION TO ADOPT THE RESOLUTION
Motion made by Boorse, Seconded by Heidemann.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

29. Res. No. 81-26-27 by Alderpersons Mitchell, Boorse, and Dekker accepting and approving the Sheboygan Transit Development Program (TDP) 2026-2030. REFER TO TRANSIT COMMISSION

30. Res. No. 75-26-27 by Alderpersons Mitchell, Boorse, and Dekker accepting and approving the Public Transportation Agency Safety Plan (2026). REFER TO TRANSIT COMMISSION

OTHER MATTERS AUTHORIZED BY LAW – None.

CLOSED SESSION

31. Motion to convene in closed session under the exemption contained in Wis. Stat. s. 19.85(1)(g), for the purpose of discussion related to a possible investment of public funds to purchase Town of Wilson parcel numbers 59030454780, 59030454810, 59030454815, and 59030454782.

MOTION TO CONVENE MADE AT 7:16 PM
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

OPEN SESSION

32. Motion to reconvene in open session for possible action relating to the matters discussed in closed session.

MOTION TO RECONVENE AT 7:53 PM
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

33. Res. No. 86-26-27 by Alderpersons Mitchell and Perrella authorizing the purchase of approximately 55.361 acres of land in the Town of Wilson, identified as Parcel Numbers 59030454780, 59030454810, 59030454815, and 59030454782, from Mark A. Pearce, Catherine A. Pearce, Rachel A. Olig, Matthew G. Pearce, and Mitchell J. Pearce.

MOTION TO SUSPEND THE RULES AND ADOPT THE RESOLUTION
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

TENTATIVE DATE OF NEXT REGULAR MEETING

34. Next scheduled meeting: Tuesday, September 8, 2026 at 6:00 PM

ADJOURN MEETING

35. Motion to Adjourn

MOTION TO ADJOURN AT 7:55 PM
Motion made by Boorse, Seconded by Close.
Voting Yea: Boorse, Bremser, Close, Dekker, Grawien, Heidemann, Kelly, Menzer, Mitchell, Perrella – 10.

September 3rd 2026

TO THE MEMBERS OF THE COMMON COUNCIL:

I hereby submit the following appointments for your confirmation:

- Liz Kroll to be considered for appointment to the Board of Housing Authority
- Annalise Flynn to be considered for appointment to the Mead Public Library Board
- Karl Nelson to be considered for appointment to the Senior Services Commission
- Quintin Zufelt to be considered for appointment to the Board of Zoning Appeals

Ryan Sorenson
Mayor
City of Sheboygan

Office of the Mayor

CITY HALL
828 CENTER AVE.
SHEBOYGAN, WI 53081

920-459-3317
www.sheboyganwi.gov

August 6th 2026

TO THE MEMBERS OF THE COMMON COUNCIL:

I hereby submit the following appointments for your confirmation:

- Tracy Brunette to be considered for appointment to the Board of Housing Authority
- Brianna Born to be considered for appointment to the Mayor's International Committee
- Jess Thaichroen to be considered for appointment as the Mayor's International Committee
-

Ryan Sorenson
Mayor
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CITY OF SHEBOYGAN
REPORT 22-26-27

BY CITY ATTORNEY LIZ MAJERUS.

AUGUST 24, 2026.

Submitting the exit interview summary for the City of Sheboygan for Quarter 2 of 2026.

Exit Interview Summary

Quarter 2, 2026

City of Sheboygan – Human Resources

Termination Information

Full-time and part-time positions only (excludes Interns, LTEs, Temps, Seasonals):

	Q1 Terms	**Q2 Terms**	Q3 Terms	Q4 Terms	YTD # of Terms
Retirements	5	**5**			10
Resignations	3	**10**			13
Involuntary Terms	2	**1**			3
TOTAL	10	**16**			26

Turnover Information

Turnover Period	**Turn Over Rate**
2026 Q1 Turnover	2.51%
2026 Q2 Turnover	**4.01%**
2026 Q3 Turnover	
2026 Q4 Turnover	
2026 Total Turnover	6.52%
2025 Q1 Turnover	3.02%
2025 Q2 Turnover	4.03%
2025 Q3 Turnover	4.03%
2025 Q4 Turnover	2.77%
2025 Total Turnover	13.85%
2024 Q1 Turnover	2.87%
2024 Q2 Turnover	4.69%
2024 Q3 Turnover	2.34%
2024 Q4 Turnover	1.82%
2024 Total Turnover	11.72%

Full time turnover data excludes Part-time, Interns, LTEs, Temps, Elected Officials, and Seasonal employees.

(2026 based on 399 full time positions) (2025 based on 397 full time positions)

(2024 based on 384 full time positions)

Exit Interview Information

For Quarter 2 (4/1/2026 - 6/30/2026), seven (7) exit interviews were conducted. All interviewees were non-represented employees.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Did Not Answer
I believe I was fairly compensated for the work I performed.	1	3	2	1		
Overall, I am pleased with the City of Sheboygan's benefit plans and offerings.	2	1	4			
My job duties were what I thought they would be when I was hired by the City.	1	3	2	1		
There were no obstacles, policies, or procedures that made my job difficult to perform.		2	4	1		
My supervisor is knowledgeable and well versed in their content area.	1	3	2	1		
My supervisor supports and empowers the people they supervise.	2	3	1	1		
I felt connected to the City as a City of Sheboygan employee; my department did not feel separate from the rest of the City.	3		4			

Reasons for leaving:

- Retiring (3)
- Better Work Conditions (3)
- Work that Aligns Better with What I Want To Do (5)
- Better Work/Life Balance (2)
- More Flexibility (2)
- Type of Work
- Better Compensation (2)
- Better Benefit Plan (2)
- Better Culture (2)
- Career Advancement Opportunity (2)

Negative Experiences to Note:

- Citizen to employee ratio is much too high. Makes it difficult to meet service needs with not enough staffing.
- Poor interdepartmental communication/collaboration. Poor internal customer service with some departments.

Positive Experiences to Note:

- Support from management. Management trusts employees' opinion and knowledge of topics relating to their position.
- Great Management and Coworkers.
- Great relationships with Citizens and Contractors.

HR Feedback:

The overall turnover rate for Q2 2026 is following the same trends as previous years. While Q2 turnover is higher than Q1, it has actually dipped slightly compared to Q2 in previous years which is great to see. The Human Resources Department hopes to see that continue into future quarters.

Looking at exit interview responses, there is much more diversity in the reasons for leaving compared to Q1. We also found that on an individual level, employees listed multiple reasons for leaving. This makes it a bit harder for HR to pinpoint "problem areas", but of the responses, five out of seven candidates listed "work that aligns better with what I want to do" as one of their reasons for leaving. From an HR standpoint, this issue is harder to address as the position is designed to carry out necessary functions for the department as prescribed in the job description. While we try to provide cross training, education, and variety as an employer, the employee is ultimately hired for the position they applied for with set duties.

Another area HR will keep an eye on is employee sense of connectedness to the organization as a whole. Four out of seven responses show employees feel neutral. HR is brainstorming additional options to improve connectedness. One initiative HR is rolling out this fall is a City Wide Brewers Game where staff and their family can join in for tailgating and the game! HR has also presented a schedule to department heads to coordinate department visits across the city. We hope that scheduling time to be onsite at each location for questions will help employees feel more connected to human resources, city hall, and general administration.

CITY OF SHEBOYGAN
REPORT 23-26-27

BY CITY ATTORNEY'S OFFICE.

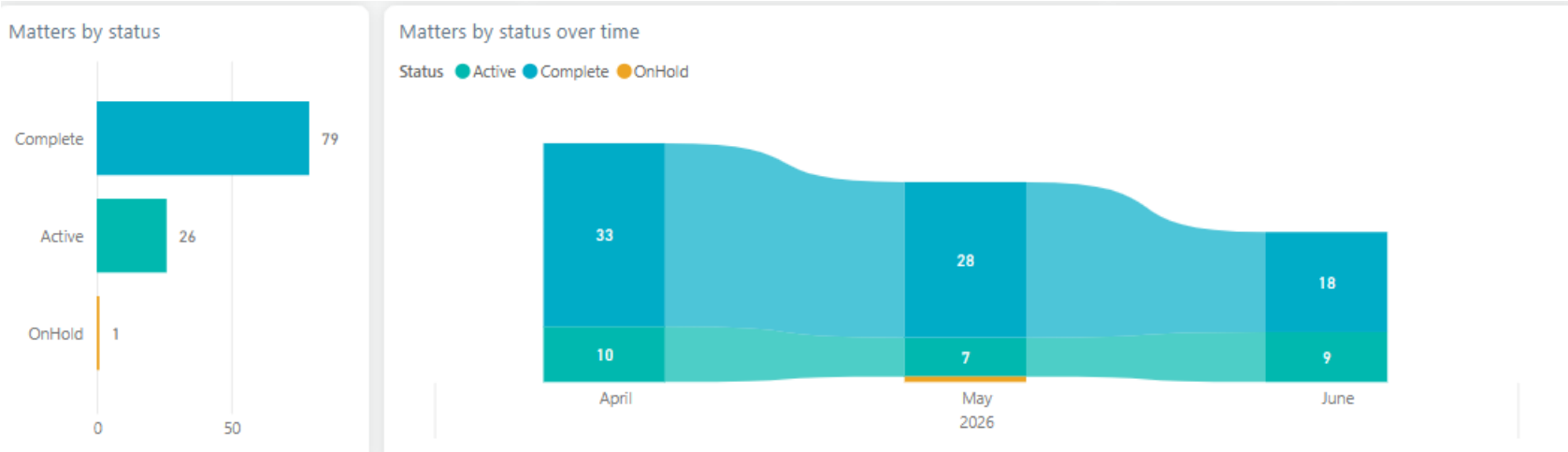
AUGUST 24, 2026.

Submitting the City Attorney's Office Monthly Report for Quarter 2 of 2026.

City Attorney's Office
Quarter 2 - 2026

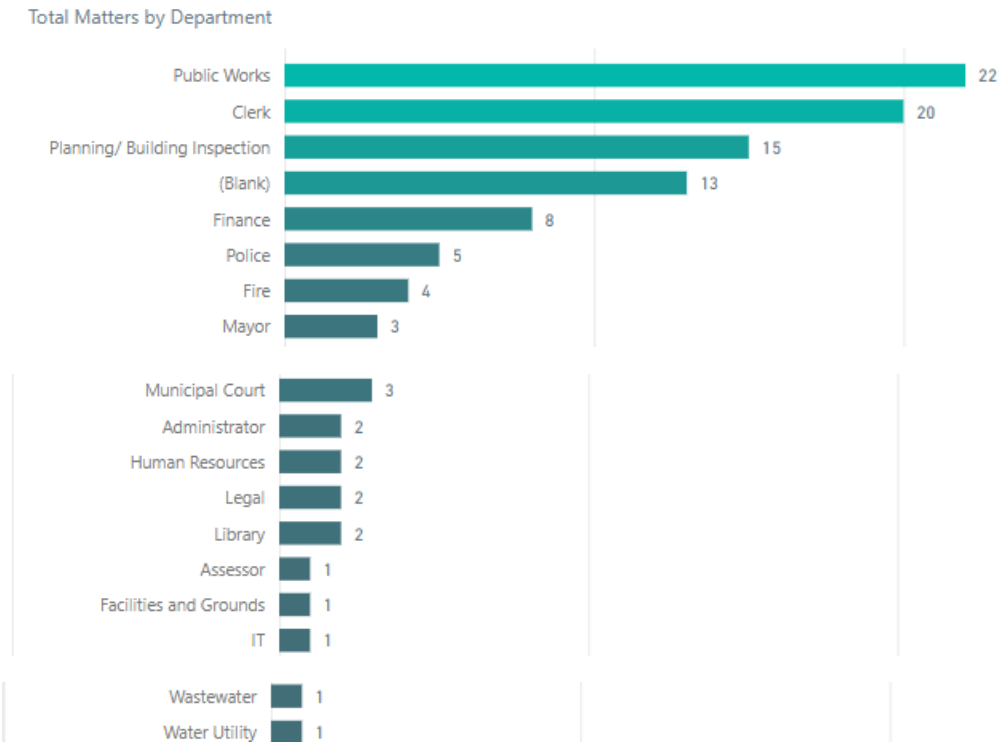
Purpose: The City Attorney's Office ("CAO") provides support to all City departments, elected and appointed officials, and staff on a range of issues pursuant to Wis. Stat. § 62.09(12). In addition to providing legal, strategy, and risk-management advice, the CAO drafts, edits, and reviews legal documents; prepares and reviews Council documents; represents the City in litigation; prosecutes municipal ordinance violations; drafts and reviews ordinances, resolutions, and policies. This report is intended to provide a summary of many of those tasks.

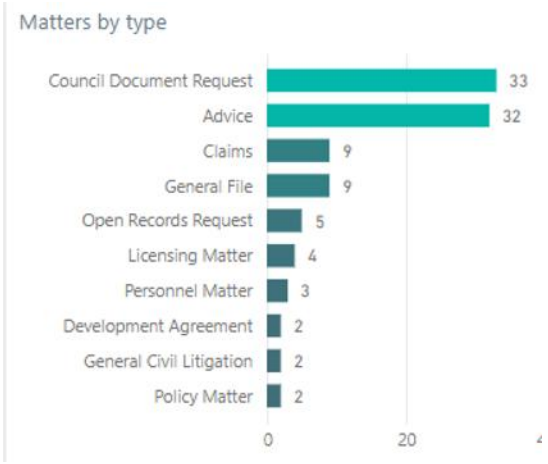
Scope: Much of the CAO's work is managed via LawVu, our document and project management software. We are working to include legal services requests received via email, phone, or in-person within the LawVu management software to improve reporting accuracy. Quick questions, conversational issues, and the like will remain outside the scope of this report. CAO welcomes suggestions for future reporting metrics or modifications.



Municipal Prosecution Activity: 205 pretrial conferences were conducted in Q2 with 201 resolving by stipulation. 4 trials were held - 1 was dismissed, 1 resulted in not guilty conviction, 1 resulted in a hold open (deferred prosecutions) and 1 resolved at trial by stipulation.

Department Update: Attorney Matthew Murray joined CAO as assistant city attorney on June 11th and has taken on municipal prosecution. The CAO greatly appreciates the support Attorney Oliver Bauer of Hopp, Neumann, and Humke LLP provided while the ACA position was vacant. Matt has nearly 20 years' experience practicing criminal defense and joins the City from a local firm.


Total Matters by Department
Public Works 22
Clerk 20
Planning/ Building Inspection 15
(Blank) 13
Finance 8
Police 5
Fire 4
Mayor 3
Municipal Court 3
Administrator 2
Human Resources 2
Legal 2
Library 2
Assessor 1
Facilities and Grounds 1
IT 1
Wastewater 1
Water Utility 1


Matters by type
Council Document Request 33
Advice 32
Claims 9
General File 9
Open Records Request 5
Licensing Matter 4
Personnel Matter 3
Development Agreement 2
General Civil Litigation 2
Policy Matter 2
0
20

CITY OF SHEBOYGAN
REPORT 24-26-27

BY CITY ATTORNEY'S OFFICE.

AUGUST 24, 2026.

Since April 1, 2026, the City has received sixteen (16) new claim forms. The City has resolved seven (7) existing claims. Seventeen (17) claims remain pending.

Claim	Claimant	Date of Incident	Date Filed	Status
18-23	Douglas Diedrichs	9/21/2023	1/16/2024	Pending
23-23	Irma Reyes and Jorge Martinez	2/11/2024	3/14/2024	Pending
5-24	Phillip Link	3/13/2024	7/8/2024	Pending
12-24	Tommie Dixon	9/8/2024	9/26/2024	Pending
16-24	Nathan Jackson	12/6/2024	1/29/2025	Resolved
2-25	Cynthia Cuellar	2/15/2025	6/12/2025	Resolved
3-25	Dorothy Marsho	4/19/2024	6/16/2025	Pending
14-25	Teagan Peitzmeier	3/16/2026	3/25/2026	Resolved
15-25	Trever Rupp	3/16/2026	4/6/2026	Resolved
16-25	Jeremy Udovich – South Beach Condo Association	4/14/2026	4/16/2026	Pending
1-26	Rick and Karen Gorr	4/14/2026	4/27/2026	Resolved
2-26	David Lutz	4/18/2026	5/19/2026	Resolved
3-26	Subroclaims obo Geico	12/1/2025	6/3/2026	Resolved
4-26	Joseph Brown	6/4/2026	6/23/2026	Pending
5-26	Koven Letter	3/9/2026	6/26/2026	Pending
6-26	Aubrey Shields	3/9/2026	6/26/2026	Pending
7-26	Andrew Keil	4/29/2026	6/26/2026	Pending
8-26	Oliver Siebels	6/21/2026	7/7/2026	Pending
9-26	Trey Castillo	4/20/2026	7/13/2026	Pending
10-26	Wisconsin Public Service	4/4/2026	7/21/2026	Pending
11-26	Joyce E. Esser	6/26/2026	7/21/2026	Pending
12-26	Vicki Wambach-Dunnigan	5/29/2026	7/21/2026	Pending
13-26	Serena Widucki	6/17/2026	7/21/2026	Pending
14-26	Mark and Sandra Hickmann	6/27/2026	7/29/2026	Pending

Claim #18-23

Date Filed:	January 16, 2024
Claimant Name:	Alpert & Fellows LLC for client Douglas Diedrichs
Summary of Claim:	Claimant lost control of a motorcycle due to spilled diesel fuel from a Shoreline Metro bus with a missing gas cap.
Requested Claim Amount:	N/A
Notice of Claim Submitted:	Yes
Date Reviewed:	January 16, 2024
Decision on Claim:	Pending further information.
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #23-23

Date Filed:	March 14, 2024
Claimant Name:	Andriusis Law Firm LLC for clients Irma Reyes and Jorge Martinez
Summary of Claim:	Claimants were riding in an ambulance when the ambulance was involved in an accident.
Requested Claim Amount:	N/A
Notice of Claim Submitted:	Yes
Date Reviewed:	March 15, 2024
Decision on Claim:	Pending further information.
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #5-24

Date Filed:	July 9, 2024
Claimant Name:	Alpert & Fellows LLC for client Phillip Link
Summary of Claim:	Claimant was on a bicycle and hit a snow plow indicator.
Requested Claim Amount:	N/A
Notice of Claim Submitted:	Yes
Date Reviewed:	July 17, 2024
Decision on Claim:	Pending further information.
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #12-24

Date Filed:	September 26, 2024
Claimant Name:	C. Norris Law Group for client Tommie Dixon
Summary of Claim:	Personal injuries and civil rights violations suffered during an officer involved incident.
Requested Claim Amount:	N/A
Notice of Claim Submitted:	Yes
Date Reviewed:	October 8, 2024
Decision on Claim:	Pending further information.
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #16-24

Date Filed:	January 29, 2025
Claimant Name:	Sperling Law Offices, LLC for client Nathan Jackson
Summary of Claim:	Claimant was on a bike and struck by a Shoreline Metro bus.
Requested Claim Amount:	Paid by Transit Mutual
Notice of Claim Submitted:	Yes
Date Reviewed:	February 19, 2025
Decision on Claim:	Paid by Transit Mutual
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #2-25

Date Filed:	June 12, 2025
Claimant Name:	Artisan and Truckers Casualty Company for insured Cynthia Cuellar
Summary of Claim:	Claimant's vehicle was hit by a snow plow on February 15, 2025.
Requested Claim Amount:	$1,904.75
Notice of Claim Submitted:	No
Date Reviewed:	July 9, 2026
Decision on Claim:	Pay
Basis for Denial/Approval:	Per Wis. Stat. § 345.05, a municipality may be liable for damage occasioned by the operation of a motor vehicle in the course of business. In this case, law enforcement determined the snowplow operator was at fault. The City's payment of claim is conditioned upon receiving a signed release.
Amount paid, if applicable:	$1,904.75

Claim #3-25

Date Filed:	June 16, 2025
Claimant Name:	Habush, Habush, & Rottier S.C. for client Dorothy Marsho
Summary of Claim:	Claimant states wheelchair was not properly secure in Metro Connection van.
Requested Claim Amount:	N/A
Notice of Claim Submitted:	Yes
Date Reviewed:	June 17, 2025
Decision on Claim:	Pending further information.
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #14-25

Date Filed:	March 25, 2026
Claimant Name:	Teagan Peitzmeier
Summary of Claim:	Claimant alleges vehicle was struck by a snow plow on March 16, 2026.
Requested Claim Amount:	$1,819.34
Notice of Claim Submitted:	No
Date Reviewed:	June 26, 2026
Decision on Claim:	Deny
Basis for Denial/Approval:	It was determined that the City plow was not on West Mark Drive on Monday, March 16, 2026, during 5 and 6:00 a.m.
Amount paid, if applicable:	N/A

Claim #15-25

Date Filed: April 6, 2026

Claimant Name: Trever Rupp

Summary of Claim: City snow plow allegedly hit claimant's vehicle.

Requested Claim Amount: $1,932.57

Notice of Claim Submitted: No

Date Reviewed: June 26, 2026

Decision on Claim: Pay

Basis for Denial/Approval: Per Wis. Stat. § 345.05, a municipality may be liable for damage occasioned by the operation of a motor vehicle in the course of business. In this case, law enforcement determined the snowplow operator was at fault. The City's payment of claim is conditioned upon receiving a signed release.

Amount paid, if applicable: $1,932.57

Claim #16-25

Date Filed:	April 16, 2026
Claimant Name:	South Beach Condo Association- Jeremy Udovich President
Summary of Claim:	Claimant alleges basement damages due to sewer back-up.
Requested Claim Amount:	$6,024.26
Notice of Claim Submitted:	No
Date Reviewed:	June 26, 2026
Decision on Claim:	Denied
Basis for Denial/Approval:	The City is meeting its standard of care and is immune from liability under Wis. Stat. 893.80(4) – discretionary immunity
Amount paid, if applicable:	N/A

Claim #1-26

Date Filed: April 27, 2026

Claimant Name: Rick and Karen Gorr

Summary of Claim: Claimant alleges sewage back up in basement.

Requested Claim Amount: $4,936.43

Notice of Claim Submitted: No

Date Reviewed: June 26, 2026

Decision on Claim: Deny

Basis for Denial/Approval: City is immune from liability under Wis. Stat. 893.80(4)-discretionary immunity.

Amount paid, if applicable: N/A

Claim #2-26

Date Filed: May 19, 2026

Claimant Name: David Lutz

Summary of Claim: Claimant alleges injuries from a trip and fall.

Requested Claim Amount: $1,798.96

Notice of Claim Submitted: No

Date Reviewed: June 26, 2026

Decision on Claim: Deny

Basis for Denial/Approval: The City is immune from liability under Wis. Stat. 893.80(4)-discretionary immunity.

Amount paid, if applicable: N/A

Claim #3-26

Date Filed:	June 3, 2026
Claimant Name:	Subroclaims obo Geico asa Michael Braun
Summary of Claim:	Claimant's alleges vehicle was struck by a snow plow on December 1, 2025.
Requested Claim Amount:	$651.37
Notice of Claim Submitted:	No
Date Reviewed:	Pending further information.
Decision on Claim:	N/A
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #4-26

Date Filed: June 23, 2026

Claimant Name: Joseph Brown

Summary of Claim: Claimant's alleges medical negligence during medical emergency.

Requested Claim Amount: $750,000.00

Notice of Claim Submitted: No

Date Reviewed: Pending further information.

Decision on Claim: N/A

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

Claim #5-26

Date Filed:	June 26, 2026
Claimant Name:	Koven Letter
Summary of Claim:	Claimant's alleges violations of constitutional rights during traffic stop.
Requested Claim Amount:	$44,000.00
Notice of Claim Submitted:	No
Date Reviewed:	Pending further information.
Decision on Claim:	N/A
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #6-26

Date Filed:	June 26, 2026
Claimant Name:	Aubrey Shields
Summary of Claim:	Claimant's alleges violations of constitutional rights during traffic stop.
Requested Claim Amount:	$24,500.00
Notice of Claim Submitted:	No
Date Reviewed:	Pending further information.
Decision on Claim:	N/A
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #7-26

Date Filed: June 26, 2026

Claimant Name: Andrew Keil

Summary of Claim: Claimant's alleges damage to boat.

Requested Claim Amount: $11,723.68

Notice of Claim Submitted: No

Date Reviewed: Pending further information.

Decision on Claim: N/A

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

Claim #8-26

Date Filed:	July 7, 2026
Claimant Name:	Oliver Siebels
Summary of Claim:	Claimant's alleges personal injuries at playground at Field of Dreams.
Requested Claim Amount:	$
Notice of Claim Submitted:	Yes
Date Reviewed:	Pending further information.
Decision on Claim:	N/A
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #9-26

Date Filed:	July 13, 2026
Claimant Name:	Trey Castillo
Summary of Claim:	Claimant's alleges personal injuries during volunteer shoreline cleanup.
Requested Claim Amount:	$
Notice of Claim Submitted:	Yes
Date Reviewed:	Pending further information.
Decision on Claim:	N/A
Basis for Denial/Approval:	N/A
Amount paid, if applicable:	N/A

Claim #10-26

Date Filed: July 21, 2026

Claimant Name: Wisconsin Public Service

Summary of Claim: Claimant alleges section of fence was damaged during snow storm.

Requested Claim Amount: $3,695.00

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

Claim #11-26

Date Filed: July 21, 2026

Claimant Name: Joyce E. Esser

Summary of Claim: Claimant alleges trip and fall on Marina dock.

Requested Claim Amount: $

Notice of Claim Submitted: Yes

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

Claim #12-26

Date Filed: July 21, 2026

Claimant Name: Vicki Wambach-Dunnigan

Summary of Claim: Claimant alleges trip and fall on sidewalk.

Requested Claim Amount: $186.99

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

Claim #13-26

Date Filed: July 21, 2026

Claimant Name: Serena Widucki

Summary of Claim: Claimant alleges windshield was cracked from City garbage truck.

Requested Claim Amount: $2,000.00

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

Claim #14-26

Date Filed: July 29, 2026

Claimant Name: Mark and Sandra Hickmann

Summary of Claim: Claimant alleges sewer back up in basement.

Requested Claim Amount: $49,227.18

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

CITY OF SHEBOYGAN
RESOLUTION 98-26-27

BY ALDERPERSONS BOORSE AND HEIDEMANN.

SEPTEMBER 7, 2026.

A RESOLUTION authorizing the creation of a temporary Designated Outdoor Refreshment Area during the 2026 Riverfest event.

WHEREAS, the Common Council, by Ordinance 11-24-25 adopted on August 5, 2024, modified section 38-59 of the Sheboygan Municipal Code to allow for the creation of a Designated Outdoor Refreshment Area ("DORA") to permit the carrying of open containers and consumption of alcoholic beverages within the DORA boundaries during such times and under such conditions as the Council may specifically permit by authorizing resolution; and

WHEREAS, the City desires to support local business and nonprofits during the 2026 Riverfest event by creating a temporary Designated Outdoor Refreshment Area ("DORA") encompassing portions of the riverfront area along Riverfront Drive.

NOW, THEREFORE, BE IT RESOLVED: That pursuant to section 38-59 of the Sheboygan Municipal Code, there is hereby created a DORA permitting the carrying and consumption of alcoholic beverages with the following conditions:

- The DORA boundaries shall be as depicted by the yellow boundary in the attached Exhibit titled "2026 River Fest Site Plan."

- The carrying and consumption of alcoholic beverages within the Temporary Riverfest DORA District ("District) shall be limited to 11:00 a.m. to 5:00 p.m. on September 19, 2026.

- The carrying and consumption of alcoholic beverages within the District is limited to the alcohol service area, sidewalks/ boardwalks, and other portions of the right-of-way not open to vehicular traffic including crosswalks or other pedestrian crossing areas while persons are lawfully crossing the street.

- The carrying and consumption of alcoholic beverages shall not be permitted in parking lots or premises held out to the public for use of motor vehicles, nor on any private property without permission of the owner or occupant.

- The exception shall not permit the possession or consumption of any intoxicating liquor or fermented malt beverages in violation of the provisions of state statutes or other municipal codes, including, but not limited to the possession or consumption of alcoholic beverages on a licensed premises which were not purchased at that premises, possession or consumption of alcoholic beverages on premises without a license that are open to the public, possession or consumption by underage persons or any other violation.

- All alcoholic beverages sold by individual servings for removal from a licensed premise for consumption within the District shall be served in unbreakable, transparent or semi-transparent containers, except that beverages may be served in their original packaging if such packaging is plastic or aluminum. Beverage containers shall bear a sticker or other identifier indicating that the beverage was purchased by a District-participating entity. Beverages sold or possessed in glass containers shall not be permitted to be opened or consumed within the District.

- Only alcohol served within the District is permitted to be carried within the District. No carry-ins will be allowed.

- The City shall retain the right to suspend or terminate the District at any time when, in the judgment of the Police Chief, Mayor, or City Administrator, such action is necessary in the interest of public safety or to address issues and concerns that may arise in relation to the District, including but not limited to non-compliance of businesses/patrons with the conditions of this resolution, trash or debris or disorderly conduct associated with the District.

- The Riverfest organizers shall clearly mark the District boundaries in accordance with any direction given by City staff or law enforcement.

- Common Council approval of this resolution is contingent upon approval of all necessary permits and licenses.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

Alcohol service area & DORA area stay the same as original map

2026 River Fest Site Plan

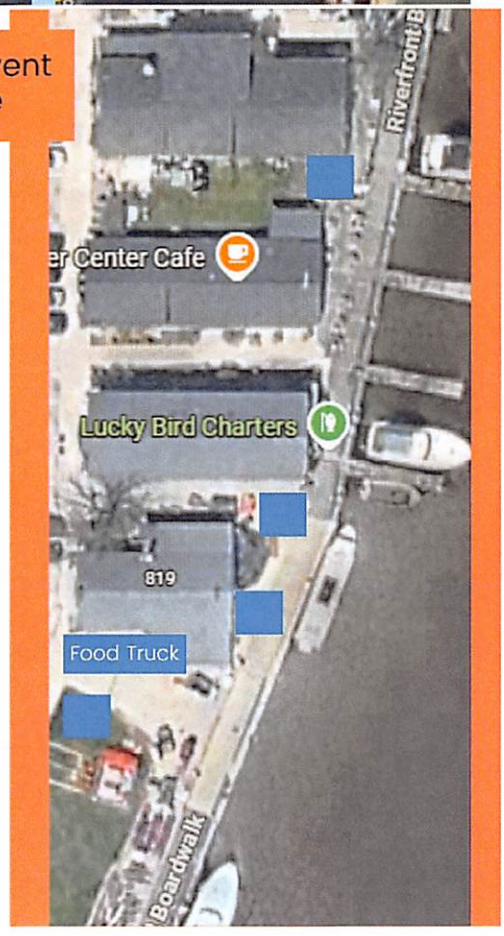
KEY

- Alcohol Service Area
- Activities
- Restrooms
- Food Trucks
- Vendor Tables
- Barricades
- "No Alcohol" Sandwich Board Signs
- Designated Alcohol Area (DORA)
- Severe Weather Shelter Location
- *Emergency access at Virginia Avenue & Riverfront Drive

*Water is available at The Wharf, Parker John's and both food trucks.



Added Event Space



CITY OF SHEBOYGAN
RESOLUTION 97-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the appropriate City officials to execute a joint agreement with Allyson Brunette Consulting and CP2 Consulting.

WHEREAS, the City of Sheboygan has experienced considerable organizational change over the past several years, and there is a clear need to reset direction, rebuild internal culture, strengthen trust with the community, and establish priorities for the years ahead; and

WHEREAS, the City recommends engaging Allyson Brunette Consulting and CP2 Consulting to guide the City through a comprehensive strategic planning effort that includes developing organizational values, a mission and vision, and strategic priorities for 2028–2032; and

WHEREAS, the consultants' proposal includes interviews with elected officials and staff, internal and external stakeholders, community surveys, public engagement activities, strategic planning workshops, development of project plans and RACI charts, and preparation of a final strategic plan for adoption by the Common Council.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council hereby authorizes the City Administrator to enter into an agreement, as approved by the City Attorney, with Allyson Brunette Consulting and CP2 Consulting for the provision of strategic planning services as outlined in the proposal.

BE IT FURTHER RESOLVED, That the Finance Director is authorized to amend the City's budget as allowed by the City Financial Handbook to utilize contingency, Administration salary savings and other department budget lines to contribute toward the cost of this agreement.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer	Attest
_____	_____
Ryan Sorenson, Mayor, City of Sheboygan	Meredith DeBruin, City Clerk, City of Sheboygan

City of Sheboygan Strategic Planning Effort







City of Sheboygan

Proposal Released:
August 9, 2026

Prepared for:
Mr. Casey Bradley, City Administrator

CD2 CONSULTING

ALLYSON BRUNETTE CONSULTING

PROJECT OVERVIEW

The City of Sheboygan has undergone significant internal change within the organization over the past three years. As the organization stabilizes under new leadership, there is a desire to rebuild leadership and workplace culture internally, garner renewed trust in city government, and develop strategic priorities for the City with community consensus and meaningful participation.

This joint proposal from Allyson Brunette Consulting and CP2 Consulting aim to help the City of Sheboygan to reach these goals through a thoughtful, thorough facilitated process over the course of the next year and a half.

PROJECT GOALS

- Identify clear organizational values, as well as to articulate a mission and vision for the organization.
- Establish clear strategic priorities for 2028-2032.
- Strengthen alignment between elected officials and staff, as well as garner increased trust in the local government by Sheboygan residents, businesses, and partner organizations.
- Open up ample opportunities for community and elected official engagement in the strategic planning process.
- Produce a clear, implementable strategic plan supported by leadership.

SCOPE OF WORK & TIMELINE

Phase 1: DISCOVERY (Q4 2026 / Q1 2027)

Purpose: Gather insights from as many participants as possible.

Workshops and Activities:

- 1:1 interviews with City Council led by Cory Poris Plasch
- 1:1 interviews with Department heads and non-elected steering committee members by Allyson Brunette
- Internal staff focus groups facilitated by Allyson
- External community focus groups facilitated by Cory and/or Allyson (leveraging non-profit partners, business community, neighborhood associations, volunteers, etc.)
- Community survey designed and implemented by CP2 Consulting
- Pop-up outreach events to reach hard-to-access audiences
- Community visioning session that welcomes community feedback and discussion

Outputs:

Organizational profile (data-centric), SWOT analysis (diagnostic), thematic summary of survey and internal / external focus group feedback.

SCOPE OF WORK & TIMELINE (CONTINUED)

Phase 2: MISSION, VISION, AND VALUES (Q1 / Q2 2027)
Purpose: Define where the organization and community can be in the future, and what values we want to represent this organization.

Workshops and Activities:
- 2-hour Mission/Vision workshop facilitated by Cory Poris Plasch, attended by Council, Department Heads, and Steering Committee
- 1.5-hour Core Values workshop facilitated by Allyson Brunette, attended by Steering Committee

Outputs:
20-year vision report, organizational mission statement, core values list and definitions.

Phase 3: STRATEGIC PLANNING RETREAT (Q2 / Q3 2027)
Purpose: Build consensus on priority areas ("pillars") and generate strategic outcomes for next five years.

Workshops and Activities:
- 6-hour Strategic Planning retreat, co-facilitated by Allyson Brunette and Cory Poris Plasch, attended by Council and Steering Committee.
- 90 minutes of the retreat will be an introduction to SWOT, discussion, reaction, and selection of 5-8 strategic pillars.
- The remainder of the retreat will involve brainstorming outcomes that address strategic pillars, and discussing policy decisions that need to take place to reach these outcomes.

Outputs:
Strategic pillars development, strategic outcomes for 5-year timeframe.

Phase 4: STRATEGIC PLAN DEVELOPMENT (Q3 / Q4 2027)
Purpose: Staff build out strategic targets, initiatives, and project plans around strategic goals and outcomes.

Workshops and Activities:
- Two, 3-hour Strategic Planning sessions, facilitated by Cory Poris Plasch with a curated group of staff (steering committee + additional, internal subject matter experts). Across these sessions, project plans and RACI charts will be developed.
- Two-four hours of virtual coaching for groups as needed after the second session to finalize RACI sheets.
- The remainder of the retreat will involve brainstorming outcomes that address strategic pillars, and discussing policy decisions that need to take place to reach these outcomes.

Outputs:
Project plans, strategic goal frameworks.

SCOPE OF WORK & TIMELINE (CONTINUED)

Phase 5: STRATEGIC PLAN REFINEMENT AND ADOPTION (Q4 2027)
Purpose: Gain formal approval of strategic plan.

Workshops and Activities:
- Presentation of strategic plan to City Council and the public.

Outputs:
Final strategic plan document adopted.

Phase 6: STRATEGIC PLAN IMPLEMENTATION AND FUTURE REPORTING (Q1 2028)
Purpose: Coach staff on reporting to Council and the public.

Workshops and Activities:
- Cory Poris Plasch connects City of Sheboygan to Envisio to develop a public-facing virtual dashboard.
- Allyson Brunette delivers a one-hour virtual implementation training workshop in EOS methodology.

Outputs:
Recorded implementation training video for staff, goal tracking sheets, recommended cadence and agendas for future check-in meetings.

OPTIONAL ADD-ON SERVICES

To maintain budget flexibility, the following services are offered as optional enhancements:

ORGANIZATIONAL CHART - 5 OR 10-YEAR FORECASTING (2028)
A high-level organizational structure vision developed through facilitated discussion and synthesis, designed to help the City anticipate future capacity needs and inform long-term budget and staffing conversations. This process takes place concurrent with strategic plan adoption. This is a high value add-on for elected officials to visualize future growth of the organization that tie to strategic outcomes.

STAFF CORE VALUES LEADERSHIP DEVELOPMENT SERIES (2028)
A customized, quarterly leadership development series facilitated onsite for City of Sheboygan team members. This series helps staff members to connect intentionally with the newly adopted organizational values, and practice implementing them across their departments in year one of the strategic plan implementation. This series can be customized for field-based employees (such as Department of Public Works crews), as well as front line administrative staff at 90-minutes per session, or as a deeper dive two-hour workshop for department management.

Curious about either of these add-ons? We're happy to connect you with a municipal client that has worked or is currently working with us on these!

CONSULTANT TEAM

Allyson Watson Brunette
Founder/Owner, Allyson Brunette Consulting
Role: Co-Lead on Project



Education: MPA, Marist College School of Management;
BA Economics and Political Science, Rider University.

About Allyson:
Allyson is a recovering local government professional who has spent the last five years working with local governments to develop powerful (but implementable) strategies, foster stronger workplace cultures, and tackle incivility and social disconnectedness right at the source: in our home communities. She is passionate about sharing her message of "People, Places, Purpose", helping staff navigate tough (but necessary) conversations, and leaving local government better than she found it.

Fun Stuff:
The Brunettes are a host family for the Green Bay Rockers baseball team and Allyson spends her free time running the Green Bay Girls Who Walk social club. As a serial hobbyist, she is a "Jane of all trades, master of none", including quilting, mahjong, sewing, cross country skiing, watercolor painting, and more.

Business Certifications:
Allyson Brunette Consulting has been certified as a Woman-Owned Business Enterprise by the State of Wisconsin since 2023.
YouMap Certified Coach since 2024.

Cory Poris Plasch
President and CEO of CP2 Consulting
Role: Co-Lead on Project



Education: MPA, Strategic Public Management and Leadership, Northern Illinois University;
BA Political Science, Northern Illinois University

About Cory: Cory's professional experience spans leadership roles across the public, nonprofit, and private sectors. She has served as Executive Director of the Wisconsin City/County Management Association, Membership Director for the Alliance for Innovation, and Vice President of Strategic Development at POLCO/National Research Center. Additionally, she spent time working as a 911 dispatcher for both a city and a county, as well as experience within City Manager's offices in several communities. This broad experience in the local government world informs her ability to deliver practical and implementation-focused training and facilitation.

Fun Stuff: Avid campers, Cory and her husband have gone from tent camping to a 42' fifth wheel over the last 15 years. They have a seasonal campsite on the Fox River where they can enjoy bald eagles, deer, and whatever else Mother Nature delivers that day!

Business Certifications:
Strategic Planning Certification, George Washington University Center for Excellence in Public Leadership
Strategic Foresight Certification, Baldrige Foundation, Institute for Performance Excellence
DiSC Certified

CONSULTANT TEAM

Sue Schinkten
Owner, Schinkten Design
Role: Graphic Designer

schinkten design llc



About Sue: Sue has over 30 years of experience in graphic design - and has designed from local non-profits and small businesses up to Fortune 500 companies.

Education: BA in Advertising Design, University of Wisconsin-Eau Claire

Role: Will support project remotely. Responsible for final project deliverable design and layout.

Area of Focus: Graphic Design

Fun Stuff:

- In addition to running her own boutique graphic design firm, Sue teaches graphic design to students at Northeast Wisconsin Technical College in Green Bay.
- Sue has been a resident of the City of De Pere for most of her life, and is a board member with with the De Pere Main Street program and a City Parks Board member.
- Two cool, once-in-a-lifetime experiences for Sue included designing the logo for the Mulva Cultural Center, a new museum which opened in De Pere in 2023, and for the St. Norbert Abbey. These two institutions are core parts of the community that Sue calls home.

WHY US? WHY NOW?

You could choose to work with any firm, but the benefits of working with this team of three women-owned small businesses are many.

Local is our lifestyle: We call the Midwest home. We're not a quick flight away, we're a quick *drive* away. We understand the challenges local governments face (like those pesky levy limits), and how every community has a wish list of impossible asks (looking at you, Trader Joe's).

The buck stops with us: We're not sending your calls to our support staff - we *are* your points of contact. We stand behind our process, out deliverables, and our pricing. Our repeat customers are a testament to how we go above and beyond for our customers.

We're not new to it, we're true to it: We're not consultants waxing poetic about a field we watch from the outside. Our team has spent years working inside local government organizations at the municipal and county levels. Our ability to relate to folks still in the field gives us both credibility and know-how on how to implement strategic change. (Spoiler alert: it can be really tough).

That said, we'd love the opportunity to show you our best by bringing out the best version of your organization. Thanks for considering us.

PRICING

Nobody likes the part where we talk about pricing. But we won't beat around the bush - here's the clearest and most transparent breakdown of our project scope we can offer you. Still have questions? Just ask us!

These numbers include all insurance costs, travel, and facilitation supplies with the exception of these items:
- Public space rentals for focus groups, visioning sessions, or retreat space.
- Additional insurance to cover public events, focus groups attended by members of the public.
- Any optional future contracts with Envisio for a public-facing virtual dashboard for the City of Sheboygan.
- Printing costs for final strategic plan documents.

ALL-IN COST WITHOUT ADD-ONS: $42,000

COST BROKEN DOWN BY PROJECT PHASE:

PHASE 1: DISCOVERY	$22,500
PHASE 2: MISSION, VISION, AND VALUES	$2,750
PHASE 3: STRATEGIC PLANNING RETREAT	$2,750
PHASE 4: STRATEGIC PLAN DEVELOPMENT	$4,000
PHASE 5: STRATEGIC PLAN REFINEMENT AND ADOPTION	$7,500
PHASE 6: STRATEGIC PLAN IMPLEMENTATION AND FUTURE REPORTING	$2,500

COST BROKEN DOWN BY BUDGET YEAR:

2026 BUDGET YEAR:	$22,500
2027 BUDGET YEAR:	$17,000
2028 BUDGET YEAR:	$2,500

ALL-IN COST WITH ADD-ONS: $49,500-$54,500

OPTIONAL ADD-ONS:

ORGANIZATIONAL CHART FORECASTING	$2,500
VALUES LEADERSHIP DEVELOPMENT SERIES (4 SESSIONS):	$5,000
OR VALUES LEADERSHIP DEVELOPMENT SERIES (8 SESSIONS):	$10,000

COST BROKEN DOWN BY BUDGET YEAR WITH OPTIONAL ADD-ONS:

2026 BUDGET YEAR:	$22,500
2027 BUDGET YEAR:	$17,000
2028 BUDGET YEAR:	$7,500-12,500

CONTACT INFORMATION

With gratitude,

Allyson Watson Brunette
920-371-9797
allyson@allysonbrunette.com

Cory Poris Plasch
630-476-0763
cory@cp2-consulting.com

CITY OF SHEBOYGAN
RESOLUTION 96-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the appropriate City officials to submit a grant application to Wisconsin Department of Natural Resources (DNR) Boating Infrastructure Grant (BIG) Tier 1 related to the marina infrastructure project.

WHEREAS, the City of Sheboygan is interested in obtaining a cost-share grant from Wisconsin DNR for the purpose of designing and engineering transient boating infrastructure; and

WHEREAS, the City attests to the validity and veracity of the statements and representations contained in the application; and

WHEREAS, an Agreement/Contract is required to carry out the project.

NOW, THEREFORE, BE IT FURTHER RESOLVED: That the City of Sheboygan will meet the financial obligations necessary to fully and satisfactorily complete the project and hereby authorizes and empowers the following officials or employees to submit the following documents to the DNR for financial assistance that may be available:

Task	Title of Authorized Representative	Email address and phone number if alternative is used
Sign and submit application	City Engineer	Kevin.jump@sheboyganwi.gov
Enter into an Agreement/Contract with the DNR reviewed and approved by the City Attorney	Mayor	Ryan.Sorenson@sheboyganwi.gov
Submit required reports to the DNR to satisfy the Agreement/Contract, as appropriate	Grant Accountant	Ryan.Zipperer@sheboyganwi.gov
Submit reimbursement request(s) to the DNR per the Agreement/Contract	Grant Accountant	Ryan.Zipperer@sheboyganwi.gov
Sign and submit other documentation as necessary to complete the project per the Agreement/Contract	City Engineer	Kevin.jump@sheboyganwi.gov

BE IT FURTHER RESOLVED: That the City of Sheboygan will comply with all local, state, and federal rules, regulations, and ordinances relating to this project and the cost-share agreement/contract.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

CITY OF SHEBOYGAN
RESOLUTION 95-26-27

BY ALDERPERSONS DEKKER AND KELLY.

AUGUST 24, 2026.

A RESOLUTION authorizing the Purchasing Agent to issue a purchase order for one (1) Hyster-Yale H60A forklift for the Motor Vehicle Division of the Department of Public Works.

WHEREAS, the City of Sheboygan's Department of Public Works utilizes forklifts to support operations and one of the City's current forklifts is approaching the end of its useful life such that replacement was included in the 2026 budget; and

WHEREAS, State law and the City's procurement policy allows the City to join with other units of government in cooperative purchasing consortiums, such as Sourcewell, for the purchase of vehicles and vehicle equipment when the best interest of the City will be served; and

WHEREAS, City staff has reviewed various Sourcewell quotes and determined that the lowest quote, from Hyster-Yale Materials Handling, Inc., meets the City's specifications and standards; and

NOW, THEREFORE, BE IT RESOLVED: The Purchasing Agent is authorized to issue a Purchase Order to Hyster-Yale Materials Handling, Inc. for the purchase of one (1) Hyster-Yale Model H60A forklift at a total cost of $42,645.00.

BE IT FURTHER RESOLVED: That the Finance Director is authorized and directed to draw funds in the amount of $42,645.00 from Motor Vehicle Fund – Machinery/Equipment (Account 730399-651200) to purchase the said equipment.

BE IT FURTHER RESOLVED: The Purchasing Agent is authorized to trade in the City's current, 15-year-old Doosan forklift as part of this purchase.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer	Attest
_____	_____
Ryan Sorenson, Mayor, City of Sheboygan	Meredith DeBruin, City Clerk, City of Sheboygan

1400 Sullivan Drive
Greenville, NC 27834

HYSTER-YALE MATERIALS HANDLING



MODEL: H60A

All trucks shown with optional equipment. Please refer to quotation specifications.

CUSTOMER DETAILS

CUSTOMER	City of Sheboygan
SHIP-TO ADDRESS	Sheboygan, Wisconsin

PROPOSED BY	Josh Sheppard	TITLE	Major Accounts Manager
PHONE	(252) 420-8192	EMAIL	josh.sheppard@hyster-yale.com

DATE	2026-08-04	Quote Expiration	2026-09-04

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Quoted Model: H60A Available Features

Hyster® H60A Lift Truck - 6,000 lb Nominal Capacity, Class V

Proposal Summary

Drivetrain: Corematch™

Included Items	Description
Model	Hyster® H60A Lift Truck - 6,000 lb Nominal Capacity, Class V
Construction	Keyswitch Start
	Standard Cooling Package
Powertrain	Engine - Yanmar 2.2L LPG Certified
	Brakes - Self Energizing Drum
	Hand-Applied, Hand-Released Parking Brake
	Dual Pedal Inch/Brake Arrangement
	Electronic Powershift Transmission
	Corematch
	Electrical System with LCD
Powertrain Options	High Air Intake
	Low Exhaust
	Swing-Out LPG Tank Bracket with Steel Strap
	UL Label - Classification Type LP
Powertrain Accessories	Traction Speed Limiter pre-set to 8mph
	Operator Presence System
	System Monitoring
Mast	3 Stage Full Free Lift Mast - Class III - 181" (4620mm) Maximum Lift Height - 86" (2195mm) Overall Lowered Height [Heavy duty]
	Mast Tilt - 6° Forward / 6° Back
Carriages & Attachments	42" (1067mm) Wide - Class III - Hook Type Integral Sideshifting Fork Positioner Carriage [Heavy duty]
	48" (1220mm) High Load Backrest Extension
Forks	**Bolzoni 48" x 5" x 2" Standard Taper Forks with 5/8" Hole Drilled 3" Back from Tips (dealer provided and installed)**
Hydraulics	4 Function (2 Auxiliary) Hydraulic Control Valve [Heavy duty]
	Mechanical Lever Hydraulic Controls - Cowl Mounted
	Engine Driven Cooling Fan
	Fixed Displacement Gear Pump
Hoses	2 Auxiliary Function Hose Group - 4 Hoses Internally Mounted
Wheels & Tires	Standard Tread Width
	Drive Tires - 28 x 9-15 14 - Pneumatic - Premium
	6.50 x 10-12 Pneumatic Steer Tires
Operator Compartment	86" Rectangular Tube - High

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	Grid Style Overhead Guard
	Mirrors - Dual Side View - Mounted on the Left and Right Side of Overhead Guard
	Display Mounted in Dash
	Polycarbonate Rain Top for Overhead Guard
	Dynamic Stability System
	Rear Drive Handle with Horn Button
Directional Control	Lever Shift Direction Control - Mounted on Left Hand Side of Steering Column
	2-Spoke Steering Wheel with Spinner Knob
	Steer Column with Infinitely Adjustable Tilt
	On Demand Hydrostatic Power Assist Steering
Seat	Non-Suspension Vinyl Seat
	Seat Belt - High-Visibility (Red) - No-Cinch with ELR (Emergency Locking Retractor) and Start Interlock
Chassis Options	Hood
Telemetry	Hyster Tracker Wireless Monitoring - AT & T
	7 Year, Level 1 Telematic Communication and Portal Fees - Monitoring
Lights & Alarms	LED Work Lights - 2 Front, 1 Rear [Basic]
	Manual Work Light Control
	Audible Alarm - Reverse Direction Activated - Self-Adjusting 82-102 dB(A)
	Parking Alarm
	Amber Strobe Light - Ignition Activated
Warranty	12 Months / 2,000 Hours Manufacturer's Warranty, 36 Months / 6,000 Hours Powertrain Warranty; please see full Warranty Statement for additional details.
Literature & Nameplate	English Literature Pack and Labels

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HYSTER-YALE MATERIALS HANDLING | HYSTER

Total Investment

Sourcewell Contract 053024-HYS **Price Delivered Each**	$42,645.00		
Quoted Quantity	1	**TOTAL:**	$42,645.00

Proposal By:	Josh Sheppard	**Accepted By:**	_____
Signature:	_____	**Signature:**	_____
Date Signed:	_____	**Date Accepted:**	_____
		PO Number:	_____

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Greenville, NC 27834

Terms and Conditions

In consideration of the sum of $2.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereby agree as follows.

1. Offer of Sale. Offers of sale are based on the terms and conditions found on the front page(s) of this proposal and those provided below. Unless otherwise provided in the proposal, an offer is valid for 30 days. Orders placed by Customer directly or through an approved third-party lessor will constitute an acceptance of these terms and conditions of sale.

2. Orders.

a. Customer may place orders in any mutually agreeable manner. The purchase order will indicate the Products, options, quantity, price, requested delivery dates, "bill to" and "ship to" addresses, tax exempt certifications, if applicable, and any other special instructions. All purchase orders and any contingencies contained in any order are subject to acceptance by Supplier. The prices in Supplier's order acknowledgment are subject to adjustment pursuant to Section 3(a). Supplier may in its discretion accept or decline orders.

b. Either party may cancel a purchase order if the other party becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition in bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or any insolvency law, whether domestic or foreign, or has wound up or liquidated its business, voluntarily or otherwise.

c. If Customer intends to lease the Products from a third-party lessor, Customer must first obtain Supplier's written consent, which will be subject to, among other things, Supplier's approval of the identity of the third-party lessor and Supplier's receipt of assignment documentation in form and in substance satisfactory to Supplier. Notwithstanding any such assignment, Customer will remain obligated to purchase and/or pay for the Products if Customer's third-party lessor fails to perform its obligations. In the event Products are ready for shipment by Supplier without an order confirmation from Customer's lessor, or lessor fails to pay, Customer authorizes shipment of the Product to Customer, and Customer agrees to pay Supplier the full purchase price net 30 days from the date of invoice.

d. Customer may only cancel an order which has been accepted by Supplier (i) prior to 5 business days after Supplier's acknowledgement of the order, (ii) pursuant to Section 2(b) above, or (iii) if Supplier changes the price of an order as set forth in Section 3(a) by more than 3% below, in which case Customer may cancel the order within 5 business days of having been notified of the price change. Otherwise, Customer may cancel or modify an order only with Supplier's written agreement in its sole discretion. If Supplier agrees to cancel or modify an order, as a condition to such modification or cancellation Customer may be required to pay Supplier's reasonable costs and expenses resulting from the change or cancellation or, alternatively, an administrative charge in the minimum amount of $250 per change (per request per unit). Changes may also result in rescheduling of customer acknowledgement dates.

3. Prices. Prices quoted by supplier are subject to change without notice.

a. Supplier reserves the right, after order acceptance and outside the Lock-Up Period, to change the price of the Product(s) by (1) increasing the list price or (2) applying a surcharge or other line items to reflect fluctuations in manufacturing costs due to external factors, including but not limited to, government-imposed tariffs on parts, components, or other manufacturing inputs. The "Lock-Up Period" will apply based on the schedule build date (which is available upon request) as follows: (i) Class I, II, IV, and V Products: 16 weeks from the schedule build date; (2) Class III Products: 12 weeks from schedule build date; and (3) Big Trucks: 24 weeks from schedule build date.

b. To the extent third party vendors of batteries, chargers, attachments, or other accessories with separate line items in the proposal increase prices after Supplier has acknowledged an order and prior to the customer acknowledgement date, Supplier reserves the right to increase the price for those items proportionately.

4. Payment. Payment terms for all products shall be Net 30 days from date of invoice. Customer shall pay all installation and freight charges and Taxes imposed by any governmental authority. The term "Taxes" includes, without limitation, applicable federal, state, G.S.T/H.S.T. and provincial sales taxes, levies, customs, import or other duties, tariffs, fees, or assessments levied or collected by a governmental authority in connection with the price, sale, or delivery of the Products (other than taxed levied on Supplier's income). For the avoidance of doubt, the term "Taxes" does not include taxes on parts, components or other manufacturing inputs (i.e., not the finished product), which are addressed pursuant to Section 3(a). If Customer fails to make any payment when due, there will be a monthly service charge of one and one-half percent (1.5%) of the total amount due (equivalent to an annual effective rate of 18% per year) or the maximum legal rate allowed by law, whichever is less. Supplier reserves a security interest in the products until payment in full has been collected and Customer agrees to notify supplier prior to relocation of any product in which supplier has a security interest. Customer shall execute any other document, including a financing statement, security agreement, or other document similar to the UCC-1, necessary to perfect supplier's security interest in the products. Customer authorizes supplier to file at Customer's expense any financing statement relating to the products without Customer's signature, except where prohibited by law.

5. Availability/Supplier Cancellation. Products are subject to availability. Supplier may refuse any order and may cancel any order or any part of an order at any time and for any reason (including without limitation if it would be economically detrimental to the Company to complete such order or delivery due to material changes in market conditions) without penalty, and supplier's sole obligation shall be to return any down payment paid by Customer. If Customer is delinquent in the payment of any invoice, or is otherwise in breach of this agreement, supplier may withhold shipment (including partial shipments) of any order or may require Customer to prepay for further shipments. Supplier retains the right to suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to supplier when, in its opinion, the financial condition of Customer, or other grounds for insecurity warrant such action.

6. Delivery. All products purchased or leased by Customer pursuant to this agreement will be shipped and risk of loss shall pass to Customer, FCA Destination, Incoterms® 2020, freight prepaid and added for deliveries in the United States and Canada, and DAP foreign port of entry, Incoterms® 2020, freight prepaid and added for deliveries to Mexico, South, Central, or Latin America. Freight will be prepaid and added to the invoice. Freight charges included in order acknowledgments are estimates and may be adjusted at the time of invoicing to reflect increases in transportation costs. An estimated shipping date will be established by Supplier upon receipt of orders. Supplier assumes no liability for loss, damage, including consequential damage, due to delays. Supplier will notify Customer of any anticipated delay. Supplier reserves the right to deliver the order in installments. Each installment may be invoiced separately, and Customer will pay each invoice when due. Delay in delivery of any installments shall not relieve Customer of its obligations to accept remaining installments. Products must be installed by an authorized dealer and must be placed in an environment that conforms to the manufacturer's specifications and requirements.

7. Warranty. Supplier warrants each new product sold pursuant to this agreement to be free of defective material and workmanship under proper use and service, in accordance with the terms of the warranty statement published by supplier in effect at the time of delivery of the product. Except as specifically provided in a written warranty statement provided with a product, SUPPLIER MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES AND ALL OTHER WARRANTIES ARE SPECIFICALLY EXCLUDED, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR PARTICULAR OR SPECIAL PURPOSES. SUPPLIER SHALL UNDER NO CIRCUMSTANCES BE LIABLE FOR ANY SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES REGARDLESS OF THE CAUSE. Customer's sole remedy and Supplier's liability is limited to the remedy provided in the warranty statement. In the event any parts and/or structural components or appurtenances of a product are altered or

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modified by Customer without the express written consent of supplier, any and all warranties shall immediately cease and terminate.
8. Limitation of Liability. NEITHER PARTY SHALL UNDER ANY CIRCUMSTANCE BE LIABLE FOR ANY SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES REGARDLESS OF THE CAUSE.
9. Product Returns. Products shall not be returned to supplier without its written consent. All costs of return shall be the responsibility of Customer.
10. Data Sharing. Customer agrees that Supplier may process the business contact information of your employees and information about you as a legal entity ("Contact Information") in connection with Supplier products and services or in furtherance of our business relationship with you. Contact Information can be stored, disclosed internally and processed by Supplier and its subsidiaries, business partners and subcontractors wherever they do business, solely for the purpose described above, provided that these companies comply with applicable data privacy laws related to this processing. Where required by applicable law, Customer represents that they have notified and obtained the consent of the individuals whose Contact Information may be stored, disclosed internally and processed and will forward their requests to access, update, correct or delete their Contact Information to Supplier who will then comply with those requests.
11. Applicable Law. For delivery of Products to the United States, Mexico, South, Central, or Latin America, this agreement shall be construed in accordance with the laws of the State of Ohio without regard to its conflict of law rules. Any action or claim arising out of or relating to this Agreement may only be brought in the state or federal district court for Cuyahoga County, Ohio. For delivery of Products to Canada, this agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Any action or claim arising out of or relating to this agreement may only be brought in the Province of Ontario. The parties each expressly consent to suit in such forum and waive any objections as to personal jurisdiction, venue, or inconvenient forum. If Customer fails to pay any amounts due to Supplier, Customer shall pay Supplier's costs and expenses of collection, including attorney's and legal fees.
12. Exclusion of the United Nations Convention on Contracts for the International Sale of Goods. The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded in accordance with Article 6 of the Convention.
13. Anti-Bribery and International Trade. (a) Customer shall comply with all applicable anti-bribery, anti-corruption, and anti-kickback laws, including the U.S. Foreign Corrupt Practices Act, the United Kingdom Bribery Act, and any laws of similar effect applicable in the jurisdictions where the Customer conducts business ((collectively 'Anti-Corruption Laws'). Customer acknowledges that these laws may govern conduct occurring outside the United States and United Kingdom. (b) Customer shall comply with all applicable anti-money laundering laws, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 as amended by Title III of the USA PATRIOT Act, the U.S. Trading with the Enemy Act, U.S. Executive Order No. 13224 on Terrorist Financing, 2017 United Kingdom Money Laundering Regulations, and any other law of similar effect applicable in the jurisdictions where it conducts business (collectively 'Anti-Money Laundering Laws'). (c) Customer shall comply with all applicable economic sanctions, export controls, and other restrictive trade measures imposed by the United States, European Union, and United Kingdom, including the U.S. Export Administration Regulations, the U.S. International Traffic in Arms Regulations, the economic sanctions programs administered by the U.S. Treasury Department's Officer of Foreign Assets Control ('OFAC'), the laws and regulations enforced by the United Kingdom's Export Control Office ('ECO') and Office of Financial Sanctions Implementation ('OFSI'), and any other laws of similar effect applicable in the United States or other jurisdictions where Vendor operates (collectively 'Export Control Laws') (d) Each of the foregoing restrictions with respect to Anti-Corruption Laws, Anti-Money Laundering Laws, and Export Control Laws shall be in addition to any other restrictions on the Customer's sale or transfer of the Products that may exist in any separate written agreement between the Vendor and the Customer and shall be subject to any provisions that may exist in any such separate written agreement regarding receipt of a license from the government of the United States of America to consent to such sale or transfer.
14. Confidentiality. Each party shall hold the information it receives in confidence, including, but not limited to, pricing, rebates, and the terms and conditions of this agreement, and shall protect it using at least the same degree of care it uses to protect its own proprietary and confidential information, but in no event may either party use less care than a reasonably prudent person in a like situation. Neither party shall disclose or permit access to the confidential or proprietary information of the other party without the disclosing party's prior written permission, except for supplier's authorized dealers and each party's legal, insurance, and accounting advisors, as appropriate. Any proprietary information concerning supplier, its products, data, documentation, services, or manufacturing processes disclosed to the Customer incident to the performance of this agreement remain the property of supplier, and no rights are granted to Customer in the same. Supplier's confidential information may be used by Customer solely to use or service the products.
15. Assignment. Neither party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Any assignment without consent shall be null, void and of no force or effect. Notwithstanding anything contained herein, upon notice to the other party, this Agreement may be assigned to a party's parent entity or affiliates or to a successor entity in the event of a merger, consolidation, transfer, sale, stock purchase, or public offering.
16. Force Majeure. Neither party shall be responsible for delays or failure in performance of this agreement (other than failure to pay any amounts due) to the extent that such party was hindered in its performance by any act of God, civil commotion, pandemic or epidemic, labor dispute, unavailability or shortages of materials or any other occurrence beyond its reasonable control.
17. Supplier's Agents. No agent, employee, representative or dealer of Supplier has any authority to bind Supplier to any affirmation, promise, representation, or warranty concerning any of the Products.
18. Notices. Any notices required or permitted to be given shall be in writing and shall be personally delivered by a recognized overnight courier: to Customer at the address provided to Supplier by Customer; to Supplier at 1400 Sullivan Drive, Greenville, NC 27834.
19. Originals. The parties agree that for any transactions subject to this Agreement, facsimile signatures shall be accepted as original signatures, orders may be transmitted electronically and any document created under this Agreement may be maintained in an electronic document storage system, a copy of which shall be considered an original. The parties agree not to raise any objection to the authenticity of this Agreement or any document created, based on the use of a facsimile signature, electronic order or the use of a copy retrieved from an electronic storage system.
20. Severability. If any provision of this agreement shall be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from this agreement and shall not affect the validity and enforceability of the remaining provisions of this agreement.
21. Language: The parties hereto have expressly required that this agreement and all documents, agreements and notices related hereto be drafted in English language. Les parties aux présentes ont expressément exigé que le présent bon de commande et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.
22. Entire Agreement/Modifications. Except as provided above, nothing contained in any purchase order or Customer issued document will in any way serve to modify or add any terms or conditions to the sale of Products by Supplier to Customer pursuant to this agreement. The parties agree that the terms and conditions of any order placed by Customer shall be governed only by these terms and conditions. This Agreement and any exhibits is the full and complete statement of the obligations of the parties relating to the subject matter hereof, and supersedes all previous agreements, understandings, negotiations and proposals. No provisions of this agreement shall be deemed waived, amended, or modified by any party unless such waiver, amendment or modification is in writing and signed by a duly authorized representative of the parties.

1400 Sullivan Drive
Greenville, NC 27834

Hyster-Yale Materials Handling - Contract and Ordering Information

Company Address:

Hyster-Yale Materials Handling, Inc.
1400 Sullivan Drive
Greenville, NC 27834

Government Sales Office (mailing address for order submission):

Josh Sheppard
Hyster-Yale Materials Handling, Inc.
1400 Sullivan Drive
Greenville, NC 27834

Major Account Manager, Govt Sales:	Josh Sheppard
Phone number:	(252) 420-8192
Email Address	josh.sheppard@hyster-yale.com

Business Size:	Large
TIN:	93-0160700
DUNS #:	55-657-9006
CAGE Code:	30076
Unique Entity ID:	D8QCWPDLPN98
NAICS:	333924
DLA Contract	SPM8EC-23-D-0001 exp, 10/25/27 Contact: Robert Spadaro - (215) 737-8253
GSA Contract	47QMCA20D001G exp. 3/30/2025
Sourcewell Contract	053024-HYS exp. 7/23/2028
Payment Terms:	NET 30

Remittance address:

First Class Mail:

Hyster-Yale Materials Handling, Inc.
c/o Bank of America Lockbox Services
P.O. Box 74008435
Chicago, IL 60674-8435

Electronic Funds Transfer:

Bank of America
100 West 33rd Street
New York, NY 10001

Account Name:	Hyster-Yale Materials Handling, Inc.
Transit routing number:	071-000-039
Depositor account number:	8670101751
BIC CODE:	BOFAUS3N

CITY OF SHEBOYGAN
RESOLUTION 94-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of February 19, 2024, between the City of Sheboygan and Rabit Properties, LLC, a Wisconsin limited liability company, (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

WHEREAS, the City of Sheboygan, Wisconsin created Tax Incremental District No. 19 ("TID 19") for the purpose of promoting redevelopment; and

WHEREAS, Rabit Properties, LLC has agreed to construct and install certain improvements on the real estate (as described in greater detail in EXHIBIT A of the Development Agreement, the "Real Estate") in TID 19 (the "Project"); and

WHEREAS, in order to further its development efforts in TID 19, the City agrees to apply a portion of the tax increment revenues from TID 19 to reimburse Developer for a portion of the costs of the Project as a consideration for the other benefits provided to the City by Developer, in accordance with the terms of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to issue the City's MRO on such terms and conditions as set forth in the Development Agreement in consideration for the obligations undertaken by the Developer in constructing the Project and as otherwise set forth in the Development Agreement. The MRO shall be in the principal amount of $350,000 and shall not bear any interest.

The MRO shall be payable in installments of principal due on October 31 in each of the years and in the amounts of Available Tax Increment for such year as set forth in the Development Agreement.

The MRO shall be signed by the manual or electronic (e.g., DocuSign or other similar technology) signatures of the Mayor and Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the MRO, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or an electronic transmission thereof.

The MRO shall be in substantially the form set forth in the attached Development Agreement.

The MRO shall be payable only out of the "Special Redemption Fund" (the "Fund"), as hereinafter provided, and shall be a valid claim of the owner thereof only against the Fund and from the revenues pledged to such Fund, and shall be payable solely from "Available Tax Increment" (as defined in the Development Agreement) derived from the Real Estate which have been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to the payment of the MRO.

As stated above, the application of Available Tax Increment to payment of the MRO is subject to annual appropriation by the Common Council. However, and without in any way limiting the foregoing appropriation powers, the City fully expects and anticipates that to the extent Available Tax Increment is generated by the Real Estate it will appropriate, in each year, the Available Tax Increment to the payment of the principal of the MRO.

BE IT FURTHER RESOLVED: That for the purpose of the application and proper allocation of the Available Tax Increments, and to secure the payment of the principal of the MRO, the Fund is hereby created and shall be used solely for the purpose of paying principal of the MRO in accordance with the provisions of the MRO and this Resolution.

The City shall deposit in the Fund the Available Tax Increment received by the City attributable to the Real Estate. The monies on deposit in the Fund shall be used to pay principal on the MRO.

Uninvested money in the Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the City as public depositories under the laws of Wisconsin. Such deposits of Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the City.

Money in the Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the MRO. All income from such investments shall be deposited in the Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Fund.

All Available Tax Increment shall be deposited in the Fund, and no other fund is created by this Resolution.

On each Payment Date, the City shall apply Available Tax Increment that has been: (a) received by the City with respect to the Real Estate during that calendar year, and (b) appropriated by the City Council to the payment of the MRO.

If on any Payment Date there shall be insufficient Available Tax Increment appropriated to pay the principal due on the MRO, the amount due but not paid shall accumulate and be payable on the next Payment Date until the Final Payment Date. The City shall have no obligation to pay any amount of principal on the MRO which remains unpaid after the Final Payment Date.

As provided in Section 5.1 of the Development Agreement, the total amount of principal to be paid on the MRO shall not exceed $350,000.00. When that amount of Available Tax Increment has been appropriated and applied to payment of the MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect thereto.

BE IT FURTHER RESOLVED: That the City Clerk shall keep books for the registration and for the transfer of the MRO. The person or entity in whose name any MRO shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payments on the MRO shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such MRO to the extent of the sum or sums so paid.

The MRO may be transferred or assigned, in whole or in part, by the registered owner thereof only with the consent of the City and with the satisfaction of all other assignment requirements set forth in the MRO and the Development Agreement, by surrender of the MRO at the office of the Clerk of the City accompanied by an assignment duly executed by the registered owner or such registered owner's attorney-in-fact duly authorized in writing. Upon such transfer or assignment, the Clerk of the City shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the MRO and re-issue the MRO (or a new MRO of like aggregate principal amount and maturity).

BE IT FURTHER RESOLVED: That the Mayor, the City Clerk, the City Administrator and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the MRO.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the MRO), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

BE IT FURTHER RESOLVED: That if any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

EFFECTIVE DATE: This Resolution shall be effective immediately upon its passage and approval.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

EXHIBIT A

DEVELOPMENT AGREEMENT

[SEE ATTACHED]

EXECUTION VERSION

TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into as of February 19, 2024 (the "**Effective Date**") by and among the CITY OF SHEBOYGAN (the "**City**"), a Wisconsin municipal corporation, and RABIT PROPERTIES, LLC, a Wisconsin limited liability company ("**Developer**").

RECITALS

A. The City has created Tax Incremental District No. 19 ("**District**") as a mixed-use tax increment district under the City's project plan (the "**Project Plan**") in order to finance various project costs within the District subject to approvals by the City's Common Council and the Joint Review Board for the District pursuant to Wis. Stat. § 66.1105 (the "**TI Act**").

B. Developer owns the real property located in the District described in greater detail in Exhibit A attached hereto and incorporated herein by reference (collectively, the "**Property**").

C. Developer, pursuant to the terms and conditions of this Agreement, is obligated to, among other things, tear down a portion of the existing building and build an expansion on the existing building that includes three (3) new loading docks, new siding on the east side of the existing building, new brick staircase and a new façade on the Property (the "**Project**").

D. Developer acknowledges that but for the MRO (as defined below) provided by the City in this Agreement, Developer would not move forward with the Project.

E. The City believes it is appropriate to use tax increments from the District to provide for, among other things, the MRO for the benefit of the District to facilitate development and redevelopment within the District.

F. The City further believes that the Project, as described in this Agreement, is in the best interests of the City and its residents and is reasonably consistent with the public purposes and the development expectations of the City, including, but not limited to, expanding housing, tax base and employment opportunities within the City.

NOW, THEREFORE, the City and Developer, in consideration of the terms and conditions contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, each agrees as follows:

AGREEMENT

ARTICLE I – REQUIRED INFORMATION

1.1 Required Information. The City shall have no obligations under this Agreement, and shall have the right to terminate this Agreement in accordance with the provisions of Section 1.2 below, if the Required Information (as defined below) has not been timely provided by the Developer to the City in form and substance reasonably acceptable to the City. On or before April 1, 2024, Developer shall provide to the City the following required information related to

the Project (collectively, the "**Required Information**") and such other documentation as the City may request, both in form and in substance acceptable to the City:

(a) An owner's policy of title insurance issued by a title insurance company licensed to do business in Wisconsin identifying Developer as the insured/owner of the Property and containing copies of all easements, restrictions, encumbrances, leases or other documents of record affecting the Property (collectively, "**Property Exceptions**"). None of the Property Exceptions shall interfere with the proposed development of the Project.

(b) A schedule for the construction of Developer Improvements (as defined below) and identifying the following for the Project:

(i) Intended commencement and completion date,

(ii) Reasonably estimated costs associated with the construction, and

(iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Property.

(c) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for the Project, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Developer and Developer's general contractor.

(d) Documentation confirming that Developer has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals relating to the Project. Developer shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for the Project).

(e) A copy of the final construction plans and complete specifications for the intended construction related to the Project that are consistent with the provisions of this Agreement (the "**Final Plans**"). The Final Plans must be certified as final and complete and be signed by Developer, the consulting engineer, architect and the general contractor (as applicable) and approved by the City in writing.

(f) All documents authorizing the construction and financing of the Project and directing the appropriate officer of Developer to execute and deliver this Agreement and all other agreements, documents and contracts required to be executed by it in connection with the transactions which are the subject of this Agreement (including, without limitation, authorizing resolutions of Developer).

1.2 Termination Rights. If Developer fails to fully and timely provide the Required Information, as determined in the sole discretion of the City, the Developer shall be in Default under this Agreement. If Developer does not provide such Required Information within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall

have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO).

ARTICLE II – COMMENCEMENT NOTICE AND DEVELOPER IMPROVEMENTS

2.1 Commencement Notice. Developer shall provide a written notice to the City of Developer's intention to commence the Project on or before April 1, 2024 (the "**Commencement Notice**"). To be effective, the Commencement Notice shall be accompanied by, or Developer shall have previously delivered to the City, all of the Required Information. If Developer does not timely provide the Commencement Notice and all of the Required Information to the City, Developer will be deemed to not be ready to develop the Project and be in Default under this Agreement. If Developer does not cure all outstanding Default(s) within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have no obligation to perform any obligation of the City under this Agreement (including, without limitation, issuing the MRO) and the City may terminate this Agreement.

2.2 Developer Improvements. Developer shall undertake, at Developer's own expense, the following improvements, obligations and work on the Property consistent with the Final Plans and all applicable laws, regulations and ordinances (collectively, the "**Developer Improvements**"):

(a) Developer shall construct and timely complete the Project. Developer shall commence construction of the Project (demolition of a portion of the existing building as set forth in the site plan attached as Exhibit B) on or before June 1, 2024. Upon such commencement, Developer shall proceed to the fully-satisfy and complete all of the improvements, obligations and work set forth in this Section 2.2 with due diligence and without unreasonable delay or interruption (with the exception of force majeure events, if any, as defined in Section 16.10 below). On or before December 31, 2024 (the "**Completion Date**"), the Project shall be completed and available for occupancy.

(b) Developer shall promptly pay for all applicable City impact fees and charges related to the Project.

(c) Developer shall be responsible for all landscaping on the Property, including, without limitation, trees, shrubs, seeding or sod related to the Project.

(d) Developer shall install, or have installed, all electric, gas, fiber-optic, telephone and cable services and all improvements for the use and operation of the Project.

(e) Developer shall install, or have installed, all sanitary sewer and water laterals on the Property, as well as connections of such laterals to new or existing sewer and water mains.

(f) Developer shall install, or have installed, all storm water drainage systems and facilities on the Property, including drain tiles, pipes, detention ponds and retention ponds, consistent with all applicable laws, regulations and specifications for such systems and facilities.

(g) Developer shall be responsible for all erosion control measures related to Project and the construction of all improvements on the Property.

(h) Developer shall be responsible for all costs related to the work to be performed by Developer under this Agreement, including, but not limited to, all applicable engineering, inspections, materials, labor, permit, impact, license and any and all other fees.

The obligations on Developer under this Agreement shall be deemed covenants running with the land and shall be applicable to Developer's successors and assigns and all other persons or entities acquiring any interest in the Property during the term of the District.

2.3 Progress and Quality of Work. Upon commencement of the Developer Improvements, Developer shall proceed to the full completion of the Developer Improvements with due diligence and without delay or interruption with the exception of force majeure events, if any, as defined in Section 16.10 below. Subject to the foregoing, completion of the Project shall occur on or before the Completion Date. All work to be performed by or on behalf of Developer related to the Project shall be performed in a good and workmanlike manner, consistent with the prevailing industry standards for such work in the area of the City.

2.4 Compliance Obligations. All of the Developer Improvements shall be completed in accordance with all applicable laws, regulations, ordinances and building and zoning codes and Developer shall, at Developer's cost, obtain and maintain all necessary permits and licenses for the Developer Improvements.

2.5 Indemnification and Insurance Required of Private Contractors. Developer hereby expressly agrees to indemnify and hold the City harmless from and against all claims, costs and liability related to any damage to the Property or injury or death to persons caused by Developer's performance of the Developer Improvements or any other work required of Developer under this Agreement, unless the cause is due to the willful misconduct by the City.

2.6 Compliance with Law. Developer shall comply with all applicable laws, ordinances, and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, Developer shall be subject to any applicable laws, ordinances and regulations that become effective after approval.

2.7 Payment of Taxes. Developer shall timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due.

2.8 Time is of the Essence. Time is of the essence with reference to Developer's obligation to commence and complete the Developer Improvements. Developer acknowledges that the timely performance of its respective work under this Agreement is critical to the collection of the tax increment upon which the parties are relying for the performance of their respective obligations under this Agreement.

2.9 Reconstruction. Until the District is closed, in the event of any casualty, loss or damage to the improvements on the Property, Developer shall proceed with the repair and

replacement of such improvements on the Property affected by such a loss or damage and restore such improvements to at least the condition and quality that such improvements were in, and with an equalized value at least equal to the equalized value, immediately prior to the casualty, loss or damage (each an "**Uncured Casualty Loss**"). Subject to force majeure delays, in no event shall Developer take longer than one hundred eighty (180) calendar days after the date of a loss or damage to restore the affected improvements. If Developer fails to timely comply with all of the requirements in this Section 2.9, Developer shall be in Default under this Agreement and the City shall be entitled to the remedies set forth in this Agreement and available in equity or applicable law.

ARTICLE III– DEVELOPER GUARANTY AND OBLIGATIONS

3.1 Guarantied Value. The parties anticipate that, upon completion, the currently contemplated improvements related to the Project will have an equalized value for purposes of real property assessment ("**Equalized Value**") of not less than Two Million Five Hundred Thousand Dollars ($2,500,000.00; the "**Guarantied Value**") by December 31, 2024. As a condition to entering into this Agreement, the City requires that Developer guaranty a minimum Equalized Value for the improvements related to the Project. By executing this Agreement, Developer hereby guaranties that, on and after December 31, 2024 (the "**Guarantied Value Date**"), the Equalized Value of the improvements on the Property shall at all times during the life of the District be at least the Guarantied Value. If the Equalized Value of the Property is less than the Guarantied Value any time on or after the Guarantied Value Date, the Developer shall be in Default under this Agreement.

3.2 Failure to Construct. If Developer provides a Commencement Notice as required by Section 2.1 but does not timely complete construction of the Project as herein provided, then Developer shall pay to the City all sums incurred by the City with regard to the preparation and drafting of this Agreement and all other sums not recoverable from Tax Increments (as defined below). All repayments shall be completed within thirty (30) calendar days after Developer's non-performance or Default under this Agreement.

3.3 Guaranty Obligations. If on or any time after the Guarantied Value Date, whether as a result of an Uncured Casualty Loss or otherwise, the Equalized Value of the Property is less than the Guarantied Value (each a "**Shortfall Event**"), then Developer shall owe the City an amount equal to the difference between (a) the Tax Increment the City otherwise would have received on the Property if the Property's Equalized Value equaled the Guarantied Value, and (b) the Tax Increment received by the City in the year a Shortfall Event occurs (such difference between (a) and (b) being referred to herein as the "**Tax Increment Shortfall**"). If a Tax Increment Shortfall is owed to the City, then unless and until the Equalized Value of the Property increases to at least the Guarantied Value, for each January 1 following a Shortfall Event, that the Equalized Value of the Property is less than the Guarantied Value, Developer shall pay to the City an amount equal to the Tax Increment Shortfall for such calendar year. If and when the Equalized Value of the Property as of any January 1 is equal to or greater than the Guarantied Value: (i) the Default related to non-compliance with the Guarantied Value requirement shall be deemed cured, (ii) no further January 1 assessment valuations shall occur or be required, and (iii) no Tax Increment Shortfall payment obligation shall be incurred for such year or any year thereafter, unless a new Shortfall Event occurs. If a Tax Increment Shortfall

continues through the closing of the District, no further Equalized Value assessment calculations shall occur and no further Tax Increment Shortfall payment obligations of Developer shall arise after the District is closed. Developer agrees that it shall not, and hereby waives any right to, during the life of the District, challenge the assessed value of the Property.

3.4 Payment of Tax Increment Shortfall. Any Tax Increment Shortfall payment due to the City shall be deducted from any MRO payment (otherwise due Developer but for the Default) from the City during the year in which the Tax Increment Shortfall payment obligation arises. If the Tax Increment Shortfall payment exceeds the amount of such MRO payment, Developer shall pay to the City an amount equal to the difference between such MRO payment and the Tax Increment Shortfall. If there is no MRO payment due Developer for such year, Developer shall pay to the City the full amount of the Tax Increment Shortfall for such year. Any Tax Increment Shortfall payment due to the City from Developer pursuant to this ARTICLE III shall be made within ten (10) days of written request for payment by the City.

ARTICLE IV – ACCESS, INSPECTIONS AND CONTRACTORS

4.1 Access and Inspections. Developer hereby grants to the City, its agents, employees, officials, representatives, contractors and consultants the right to enter upon the Property at all reasonable times (upon reasonable advance notice to Developer) for the City to inspect the Property and the Project.

4.2 Inspections for City's Benefit Only. Each inspection conducted by the City or the City's agents shall be deemed to have been for the City's own benefit and shall in no way be construed to be for the benefit of or on behalf of Developer. Developer shall not (and hereby each waives any right to) rely in any way upon such inspections, appraisals or determinations of the City.

4.3 Contractors and Consulting Engineers. At any time, the City shall have the right to retain consulting engineers and architects to perform services for the City (which shall be at the City's expense, unless the City must perform inspections as a result of Developer's failure to meet the Final Plans then such expenses will be at Developer's expense) including, without limitation:

(a) to make periodic inspections with reasonable advance notice to Developer for the purpose of assuring that construction is in accordance with the Final Plans and the requirements of this Agreement;

(b) to advise the City of the anticipated cost of, and a time for, the completion of construction work; and

(c) to review and advise the City of any proposed changes in the construction of the Project.

The City's selection of, and reliance upon, the consulting engineers and architects shall not give rise to any liability on the part of the City for the acts or omissions of the consulting engineers or architects or their employees or agents.

Contractors selected for the Project shall be qualified in the City to perform the work, shall be licensed to do business in the State of Wisconsin, shall have experience in providing the type of work and materials required of Developer Improvements, and shall have a good reputation for diligent performance of their obligations under their respective contracts.

ARTICLE V – MUNICIPAL REVENUE OBLIGATION

5.1 Municipal Revenue Obligation. Pursuant to the terms of this Agreement, the City agrees to issue to Developer, within ninety (90) calendar days after the City's receipt of the Commencement Notice, a non-interest bearing municipal revenue obligation (the "**MRO**"). The amount paid under the MRO shall equal ***the lesser of***: (a) Three Hundred Fifty Thousand Dollars ($350,000.00), and (b) the sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date (as defined below).

Except as otherwise provided herein, payments on the MRO will equal the Available Tax Increment in each year appropriated by the City's Common Council until and including ***the earlier of*** the date this Agreement is terminated, the date the District is terminated, the Final Payment Date and the date the MRO is paid in full. "**Available Tax Increment**" means an amount equal to seventy-five percent (75%) of the difference between the Tax Increment actually received by the City and appropriated by the City's Common Council in each year **less** the following (collectively, the "**Priority Project Costs**"): (i) all debt service payments incurred or to be incurred by the City in a given year for work performed or to be performed with regard to the Project or the Property; (ii) the amount of the City's administrative expenses, including, but not limited to, reasonable charges for the time spent by City employees in connection with the negotiation and implementation of this Agreement, (iii) professional service costs, including, but not limited to, those costs incurred by the City for outside architectural, planning, engineering, inspections, financial consulting and legal advice (including, without limitation, attorneys' costs and fees) and services related to the negotiation and implementation of this Agreement, and (iv) other eligible project costs previously incurred by the City in preparation for this Project or to be incurred by the City under the Project Plan, including, without limitation, site preparation and costs and expenses related to the Property or the Project provided such eligible project costs are not financed by the debt service referenced in (i) above. Any Priority Project Cost not paid due to insufficient Tax Increment shall be carried forward and paid from Tax Increment in the next year, or if necessary, following years until fully paid. "**Tax Increment**" shall have the meaning given under Wis. Stat. § 66.1105(2)(i) but shall be limited to the Tax Increment attributable to the Project, the land and improvements on the Property.

Provided that Developer is not in Default under this Agreement, the City shall, subject to annual appropriation of such payment by the City's Common Council, pay the Available Tax Increment, if any, to the holder of the MRO in one annual payment, on or before October 31st of each year commencing on October 31, 2026, and continuing to (and including) the earlier of the date the MRO is paid in full or October 31, 2038 (each, a "**Payment Date**"). Notwithstanding the previous sentence, in the event that Developer is in Default on a Payment Date, payment by the City may be suspended until all outstanding Defaults are cured.

To the extent that on any Payment Date the City is unable to make all or part of a payment of principal due on the MRO from such Available Tax Increment due to an absence of adequate

Available Tax Increment, non-appropriation by the City's Common Council or otherwise, such failure shall not constitute a default by the City under the MRO. The amount of any such deficiency shall be deferred without interest. The deferred principal shall be due on the next Payment Date on which the City has the ability to payout Available Tax Increment. The term of the MRO and the City's obligation to make payments hereunder shall not extend beyond the earlier of October 31, 2038 (the "**Final Payment Date**") or the date the MRO is paid in full. If the MRO has not been paid in full by the Final Payment Date, then the City shall have no obligation to make further payments on the MRO. Upon the earlier of the date the MRO is paid in full and the Final Payment Date, the MRO shall terminate and the City's obligation to make any payments under the MRO shall be fully discharged, and the City shall have no obligation and incur no liability to make any payments hereunder or under the MRO, after such date.

The MRO shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment which has been appropriated for that purpose, and then only to the extent and in the manner herein specified. The MRO is a special, limited revenue obligation of the City and shall not constitute a general obligation of the City. The City will use good faith efforts to annually appropriate the Available Tax Increment for the MRO, until the earlier of the Final Payment Date, the termination of this Agreement or the MRO, or the payment in full of the MRO as provided herein. If Available Tax Increment is received by the City earlier than the first Payment Date, the applicable portion of such increment shall be retained by the City and applied to the first payment subject to appropriation by the City Common Council. Developer shall not have the right to assign the MRO except as set forth therein. Interests in the MRO may not be split, divided or apportioned.

5.2 **MRO Form.** The MRO shall be substantially in the form attached to this Agreement as Exhibit C (which is incorporated herein by reference) and shall be payable in accordance with the terms and conditions set forth in this Agreement and such MRO. In the event of a conflict between the terms of this Agreement and the terms of the MRO, the terms in this Agreement shall prevail. The principal payments shall be payable solely from the Available Tax Increment appropriated by the City. On or about each Payment Date under the MRO, the City shall provide to Developer an accounting identifying the Available Tax Increment, the amount of the payment being made on such Payment Date, and, if applicable, the remaining principal balance due on the MRO after the application of such payment.

5.3 **Issuance of MRO and Payment Limitation**. Provided that Developer is not in Default under this Agreement beyond the applicable cure period (if any), the City will deliver the MRO to Developer within ninety (90) calendar days after the City's receipt of the Commencement Notice. Notwithstanding the previous sentence, in the event that Developer is in Default prior to the City's issuance of the MRO, the City shall not be required to deliver the MRO to Developer until a reasonable time after, but in no event less than thirty (30) calendar days after, all such Defaults are cured, provided each Default is cured within the applicable cure period for such Default. If the City does not timely provide the MRO to Developer, the Developer shall make a written request to the City to deliver the executed MRO within thirty (30) calendar days after the date of such written request by the Developer. The total amount of principal to be paid under the MRO shall in no event exceed ***the lesser of***: (a) Three Hundred Fifty Thousand Dollars ($350,000.00), and (b) the sum of all payments made by the City on the MRO during the life of

the District but in no event after the Final Payment Date. The City's obligation to make payments on the MRO is conditioned on the requirement that Developer is not in Default under this Agreement. For the avoidance of any doubt, upon the occurrence of a Default, the City may suspend all payments until the Default is cured and, upon the expiration of all applicable cure periods for such Default, the City may exercise any and all available remedies.

5.4 Payment of Priority Project Costs and Repayment Schedule. From the Tax Increment received by the City each year, the City shall first pay the outstanding Priority Project Costs. The estimated repayment schedule of the MRO shall be set forth in Schedule 1 to the MRO. The City reserves the right to modify the MRO repayment schedule based upon market conditions, applicable Priority Project Costs and the actual and projected Available Tax Increment generated from the Project. The Available Tax Increment held by the City each year shall be applied to the payment of principal due on the MRO in accordance with the payment schedules set forth in such MRO until a maximum payout has been made (which equals the Available Tax Increment for a given year), subject to appropriation by the City Common Council.

ARTICLE VI – ZONING, LAND USE AND RESTRICTIVE COVENANT

6.1 Zoning Compliance. The Project shall be in compliance with the applicable zoning ordinance and land use guidelines applicable to the Property and shall be subject to the payment of any applicable impact fees in the amounts applicable at the time each required permit is issued, unless otherwise provided herein. Nothing in this Agreement shall obligate the City to grant variances, re-zoning, exceptions or conditional use permits related to the Project.

6.2 Tax Status/Restrictive Covenant. Without the prior written consent of the City (which may be withheld for any reason), Developer shall not use or permit the use of the Property in any manner which would render the Property exempt from property taxation during the life of the District. Further, Developer will not challenge or contest any assessment on the Property by the City, including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding. Prior to the conveyance of all or any portion of the Property, Developer agrees to record on the Property with the Sheboygan County Register of Deeds a deed restriction or restrictive covenant evidencing the restrictions on the Property set forth in this Section 6.2. The foregoing deed restrictions or restrictive covenants shall permit, but shall not obligate, the City to enforce such deed restrictions or restrictive covenants and shall be in form and in substance acceptable to the City. The deed restrictions or restrictive covenants shall continue to be applicable until the termination of the District. However, Developer shall not have a continuing obligation for compliance with this provision as to any portion of the Property in which Developer no longer maintains any interest (whether as owner, tenant, occupant or otherwise) provided that Developer has timely recorded the deed restriction or restrictive covenant as approved by the City.

6.3 Land Dedications, Transfers and Easements for the Project. Developer agrees to make such land dedications and to grant such temporary or permanent easements as are required by the City for the construction and maintenance of the Project. All documentation for such dedications or easements shall be in form and substance acceptable to the City and Developer. Developer agrees to cooperate with the City if the City desires to prepare certified survey maps or other documentation as deemed appropriate by the City to facilitate the implementation and

documentation of such dedications and easements and to adjust the lot lines of the Property in a manner reasonably acceptable to the City and Developer.

ARTICLE VII – ASSIGNMENTS AND CHANGES OF CONTROL

7.1 **Assignments and Change of Control.** This Agreement and the MRO shall not be assignable by Developer without the prior written consent of the City (which may be withheld by the City for any reason). The ownership or control of Developer shall not be transferred to any person or entity without the prior written consent of the City (which may be withheld by the City for any reason). The prohibition on the transfer of ownership or control shall not be applicable in the event of the death of a member and the interest being transferred is the deceased member's interest. The term "ownership or control" shall mean twenty percent (20%) or more of the Ownership Interests in Developer. For the purposes of this Agreement, "**Ownership Interests**" shall mean the members' rights to share in distributions and other economic benefits of Developer, the members' rights to participate in decision making, or both. The current members of Developer are identified on Exhibit D attached hereto and incorporated herein by reference.

In the event this Agreement is assigned by Developer, such assignee shall execute all documents required by the City to confirm that such assignee is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement. Further, in the event this Agreement is assigned by Developer, Developer agrees to remain jointly and severally liable for all obligations of the Developer (whether to be completed by itself or its assign) under this Agreement.

Notwithstanding any provision herein to the contrary, this Agreement and the MRO may be collaterally assigned to a mortgage lender financing the development and completion of the Project.

ARTICLE VIII – DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 **Developer Representations, Warranties and Covenants.** Developer represents, warrants and covenants that:

(a) Developer is a limited liability company duly formed and validly existing in the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition;

(b) Developer has full authority to execute and perform this Agreement and has obtained all necessary authorizations (whether by official board resolution or action, unanimous written consent in lieu of a meeting or otherwise) to enter into, execute, perform and deliver this Agreement;

(c) the execution, delivery, and performance of Developer's respective obligations pursuant to this Agreement will not violate or conflict with (i) Developer's articles of organization, operating agreement or any indenture, instrument or agreement

by which it is bound, (ii) any other agreement to which Developer is a party, or (iii) any law applicable to Developer or the Project;

(d) this Agreement constitutes (and any instrument or agreement that Developer is required to give under this Agreement when delivered will constitute) legal, valid, and binding obligations of Developer enforceable against Developer in accordance with their respective terms;

(e) Developer will expeditiously complete the development and construction of Developer Improvements and the Project in a good and workmanlike manner and in accordance with all acceptable statutes, ordinances and regulations, any restrictions of record and the Final Plans provided to the City regarding the Project;

(f) Developer will not make or consent to any material modifications to the Final Plans without the prior written consent of the City;

(g) Developer will discharge all claims for labor performed and materials, equipment, and services furnished in connection with the construction of Developer Improvements and the Project; nothing contained in this Agreement shall require Developer to pay any claims for labor, services or materials which it, in good faith, disputes and is currently and diligently contesting, provided, however, that Developer shall, within ten (10) calendar days after the filing (or the assertion) of any claim of lien that is disputed or contested by Developer, obtain and record (if required by the City) a surety bond sufficient to release said claim or lien or provide the City with other such assurances that the City may require;

(h) Developer will take all steps to forestall claims of lien against the Property (any part thereof or right or interest appurtenant thereto) or any personal property and fixtures located or used in connection with the Property;

(i) Developer will maintain, at all times during construction, a policy of builder's risk completed value and contractor's multiple perils and public liability, extended coverage, vandalism and malicious mischief hazard insurance covering the Property in at least the amount of the full replacement, completed value of the improvements on the Property;

(j) Developer will timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due, as well as claims for labor and materials which, if unpaid, might become a lien or charge upon the Property;

(k) Developer will promptly furnish to the City, during the term of this Agreement, written notice of any litigation affecting Developer and any claims or disputes which involve a material risk of litigation against Developer;

(l) Developer shall deliver to the City revised statements of estimated costs of the construction for Developer Improvements showing changes in or variations from the original cost statement provided to the City as soon as such changes are known to Developer;

(m) Developer shall provide to the City, promptly upon the City's request, any information or evidence deemed necessary by the City related to performance of Developer under this Agreement to enable the City to timely and accurately complete any accounting or reporting requirements applicable to the City related to the transactions under this Agreement;

(n) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Developer is pending or threatened, and no other event has occurred which may materially adversely affect Developer's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the City in writing;

(o) there are no delinquent outstanding personal property taxes, real estate taxes, or special assessments affecting the Property; and

(p) subject to the terms of this Agreement, it shall not at any time challenge or contest any assessment on the Property by the City including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding.

8.2 Execution Representations and Warranties. The person(s) signing this Agreement on behalf of Developer represent(s) and warrant(s) that he/she/they have full power and authority to execute this Agreement on behalf of Developer and to bind Developer to the terms and conditions of this Agreement.

8.3 Cooperation. Developer warrants that it shall exercise all reasonable diligence and expend all commercially reasonable efforts to undertake its obligations under this Agreement.

ARTICLE IX – CITY REPRESENTATIONS

9.1 City Representations. The City represents that:

(a) The City is a body politic of the State of Wisconsin with full power and authority to enter into this Agreement and that all statutory procedures and requirements have been followed, fulfilled and satisfied in connection with the approval of this Agreement and the authorization of all City obligations required by this Agreement; and

(b) The individuals signing this Agreement on behalf of the City have full authority to do so and upon such execution by such individuals, this Agreement will constitute (and any instrument or agreement that the City is required to give under this Agreement when executed and delivered will constitute) legal, valid and binding obligations of the City enforceable against it in accordance with their respective terms.

ARTICLE X – DEFAULTS

10.1 Default. Any one or more of the following shall constitute a "**Default**" under this Agreement.

(a) Developer fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to Developer (including, without limitation, the untimely delivery of the Required Information or completion of the Developer Improvements or any default under any other agreement related to the Project).

(b) Any representation or warranty made by Developer in this Agreement, any document related hereto or referenced herein or any financial statement delivered by Developer pursuant to this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

(c) Developer (or any permitted successor or assign of Developer) shall:

(i) become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature,

(ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets,

(iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan, or other arrangement with creditors,

(iv) have a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) calendar days or more, or such party, shall file an answer to such a petition or application, admitting the material allegations thereof,

(v) apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within sixty (60) calendar days after his appointment, or

(vi) adopt a plan of complete liquidation of its assets.

(d) The City fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to the City.

ARTICLE XI – REMEDIES

11.1 Remedies. In the event of a Default, the non-defaulting party shall provide written notice to the defaulting party of the Default (the "**Default Notice**"); however, Developer shall not

be entitled to a Default Notice or a right to cure in the event the Default occurs under Subsection 10.1(c) above.

(a) The Default Notice shall provide the defaulting party at least thirty (30) calendar days to cure a Default; however, the 30-day period shall be extended to the period of time reasonably necessary to cure the Default (in the event that such 30-day period is not sufficient time to reasonably cure such Default), if the defaulting party promptly commences activities to cure the Default in good faith and diligently pursues such activities to fully cure the Default, but, in no event, shall the period of time to cure the Default exceed ninety (90) calendar days from the date of the Default Notice, unless otherwise agreed to by the parties in writing.

(b) In the event the Default is not fully and timely cured by Developer, the City shall have all of the rights and remedies available in law or in equity, including, but not limited to, all or any of the following rights and remedies, and the exercise or implementation of any one or more of these rights and remedies shall not bar the exercise or implementation of any other rights or remedies of the City provided for under this Agreement:

(i) The City may refuse to issue any permits to Developer for the construction of Developer Improvements or any other improvements on the Property;

(ii) The City may recover from Developer all damages, costs and expenses, including, but not limited to, attorneys' fees incurred by the City related to or arising out of each Default and the drafting and negotiation of this Agreement;

(iii) The City may terminate or postpone its obligation to perform any one or more of its obligations under this Agreement, including, but not limited to, any payment obligations under the MRO; or

(iv) The City may terminate this Agreement.

(c) In the event the Default is not fully and timely cured by the City, subject to Section 16.11 below, Developer shall have all of the rights and remedies available in law or in equity, however, the City shall not be liable for any punitive or consequential damages, the MRO shall only be paid out of Available Tax Increment and Developer may not perform any acts required to be performed by the City under applicable law.

ARTICLE XII – SUCCESSORS AND ASSIGNS

12.1 Successors and Assigns; Assignment. This Agreement shall be binding upon the successors and assigns of the parties hereto; however, this provision shall not constitute an authorization of Developer to assign or transfer its rights and obligations under this Agreement. Except as expressly provided for in Section 7.1 above, this Agreement shall not be assigned by Developer without the prior written consent of the City, which consent may be withheld for any reason.

ARTICLE XIII – TERMINATION

13.1 **Termination.** This Agreement shall not terminate until the earlier of:

(a) termination by the City of the District pursuant to §66.1105(7) of the TI Act,

(b) the date the MRO is paid in full, or

(c) termination by the City pursuant to the terms of this Agreement;

however, Developer agrees that the termination of this Agreement shall not cause a termination of the rights and remedies of the City under this Agreement.

ARTICLE XIV – NOTICES

14.1 **Notices.** Any notice given under this Agreement shall be deemed effective when: (a) personally delivered in writing; (b) a commercially recognized overnight delivery service provides confirmation of delivery; or (c) the third calendar day after notice is deposited with the United States Postal Service (postage prepaid, certified with return receipt requested) and addressed as follows:

If to the City:

City of Sheboygan
Attention: City Administrator
828 Center Avenue, Suite 300
Sheboygan, WI 53081

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081

with a copy to:

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202

If to Developer:

RABIT PROPERTIES, LLC
Attn: Dan Radue
827 N. 14th Street
Sheboygan, WI 53081

ARTICLE XV – APPLICABLE LAW

15.1 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Wisconsin. Any litigation related to this Agreement shall be brought in the state courts of the State of Wisconsin and the parties hereto agree to submit to the jurisdiction and venue of the Circuit Court for Sheboygan County, Wisconsin.

ARTICLE XVI – MISCELLEANEOUS

16.1 Entire Agreement. This Agreement and all of the documents referenced herein or related hereto (and as any of the aforementioned documents have been or may be amended, extended or modified) embody the entire agreement between the parties relating to the transactions contemplated under this Agreement and all agreements, representations or understanding, whether oral or written, that are prior or contemporaneous to this Agreement are superseded by this Agreement.

16.2 Amendment. No amendment, modification or waiver of any provision of this Agreement, nor consent to any departure by a party from any provision of this Agreement shall in any event be effective unless it is in writing and signed by each of the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which it is given by the respective party.

16.3 No Vested Rights Granted. Except as provided by law, or as expressly provided in this Agreement, no vested rights in connection with the Project shall inure to Developer nor does the City warrant by this Agreement that Developer is entitled to any required approvals, permits or the like with regard to the Project.

16.4 Invalid Provisions. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

16.5 Headings. The article and section headings of this Agreement are inserted for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

16.6 No Waiver; Remedies. No failure on the part of the City to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

16.7 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the named parties hereto and their permitted assignees, and nothing contained in this Agreement shall confer upon anyone other than such parties any right to insist upon or enforce the performance or observance of any of the obligations contained in this Agreement.

16.8 No Joint Venture. The City is not a partner, agent or joint venture of or with Developer.

16.9 Recording of a Memorandum of this Agreement Permitted. A memorandum of this Agreement may be recorded by the City on the Property and any or all of the Property in the office of the Register of Deeds for Sheboygan County, Wisconsin, and, upon request of the City, Developer shall execute and deliver to the City a memorandum of this Agreement for recording purposes.

16.10 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Agreement by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, strike, lockout, supply shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God, such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than ninety (90) calendar days unless agreed to in writing by the parties hereto. Notwithstanding any provision herein to the contrary, the City, in its sole and absolute discretion, may allow up to a six (6) month extension on the deadlines set forth in Section 1.1 and 2.2 above should reasonable delays occur as a result of environmental remediation issues, supply chain issues or material cost increases. Any such approved delay by the City will be evidenced in writing and provided to Developer, and without any written evidence approving such delay, the other provisions of this Agreement shall control and the immediately preceding sentence shall not apply.

16.11 Immunity. Nothing contained in this Agreement constitutes a waiver of any immunity available to the City under applicable law.

16.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, it being understood that all parties need not sign the same counterpart. This Agreement may also be executed by remote electronic means, via DocuSign, Eversign, or similar platform. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes. Upon request by a party, the parties hereto shall provide a wet-ink, original signed version of this Agreement to such party for its records.

16.13 Recitals. The RECITALS set forth above are true, accurate and incorporated herein by reference.

[The remainder of this page is intentionally left blank with signature pages to follow.]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

Approved:

By: _____
Name: Evan Grossen, Deputy Finance Director/Comptroller

Approved as to Form:

By: _____
Name: Charles Adams, City Attorney

This document is authorized by and in accordance with Resolution No. 155-23-24.

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this 18 day of ~~February~~ March, 2024, the above named Ryan Sorenson, Meredith DeBruin, Evan Grossen and Charles Adams, the City Mayor, the City Clerk, the Deputy Finance Director/Comptroller and the City Attorney of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

DIANE H MCGINNIS CASEY
Notary Public
State of Wisconsin

_____
Notary Public, Wisconsin
My commission 8/15/2024

EXECUTION VERSION

DEVELOPER: RABIT PROPERTIES, LLC

By: _____
Name: Dan Radue, Sole Member

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this 4th day of ~~February,~~ March 2024, the above named Dan Radue, the Sole Member of RABIT PROPERTIES, LLC to me known to be the person who executed the foregoing instrument and acknowledged the same.

SHARLEEN M. MEINNERT NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public, Wisconsin
My commission 7-5-2024

EXECUTION VERSION

EXHIBIT A

Property

PARCEL I. Commencing at the Northwest corner of Block 122, Original Plat of the City of Sheboygan, Sheboygan County, Wisconsin, and the point of beginning, thence South Eighty-one (81) degrees Fifty-three (53) minutes East One Hundred Fifty-five and Thirty-four hundredths (155.34) feet along the Northerly line of said Block 122, thence South Eighty-one (81) degrees Fifty-three (53) minutes East Sixty-one and Twenty-five hundredths (61.25) feet to the Northeast corner of said Block 122, thence South Twenty-six (26) degrees Eleven (11) minutes East Two Hundred Four and Eighteen hundredths (204.18) feet along the Easterly line of said Block 122, thence South Sixty-four (64) degrees Twenty-two (22) minutes West Thirty-six and Seventy-five hundredths (36.75) feet, thence North Eighty-four (84) degrees Forty-one (41) minutes West Twenty and Two hundredths (20.02) feet, thence North Seventy-three (73) degrees Eight (08) minutes West Sixty and Sixteen hundredths (60.16) feet, thence North Eighty-nine (89) degrees Fifty-eight (58) minutes West One Hundred Ninety-five and Twelve Hundredths (195.12) feet along a line which is One Hundred Sixty-nine and Three tenths (169.3) feet North of and parallel with the South line of said Block 122 to the West line of said Block 122, thence North Two Hundred Thirty-two and Five tenths (232.5) feet to the point of beginning, said tract of land being all of Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7), Eight (8), and Nine (9) of Block 122 of the Original Plat of the City of Sheboygan, Sheboygan County, Wisconsin.

PARCEL II. Commencing at the Southwest corner of Block 122, Original Plat of the City of Sheboygan, Wisconsin, running thence North One Hundred Sixty-nine and Thirty hundredths (169.30) feet along the West line of said Block 122, thence South Eighty-nine (89) degrees, Fifty-eight (58) minutes East, One Hundred Thirteen and Ninety hundredths (113.90) feet, thence South One Hundred Thirteen and Thirty hundredths (113.30) feet, thence North Eighty-nine (89) degrees, Fifty-eight (58) minutes West, Thirty-three (33) feet, thence South Fifty-six (56) feet to the South line of said Block 122, thence North Eighty-nine (89) degrees Fifty-eight (58) minutes West, Eighty and Ninety hundredths (80.90) feet to the point of beginning, said tract of land being all of Lot Ten (10) and part of Lot Eleven (11), Block 122 of the Original Plat of the City of Sheboygan, Sheboygan County, Wisconsin.

Tax Key Nos. 59281500620, 59281500630 and 59281500640

EXHIBIT A

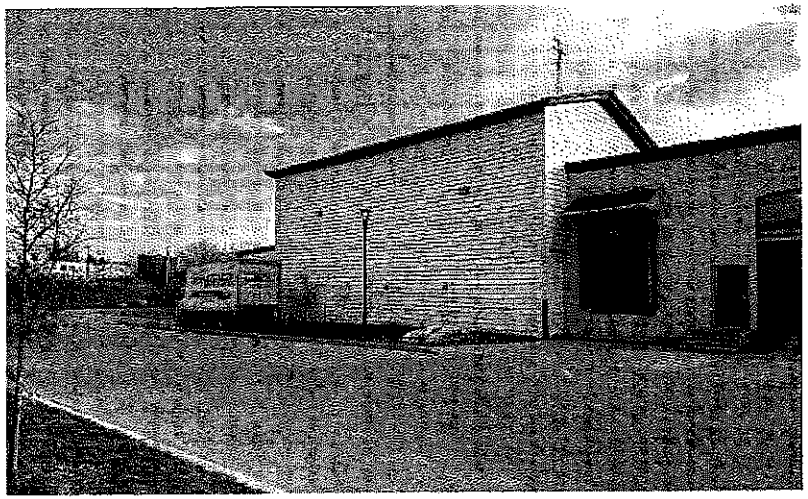
EXHIBIT B

Site Plan

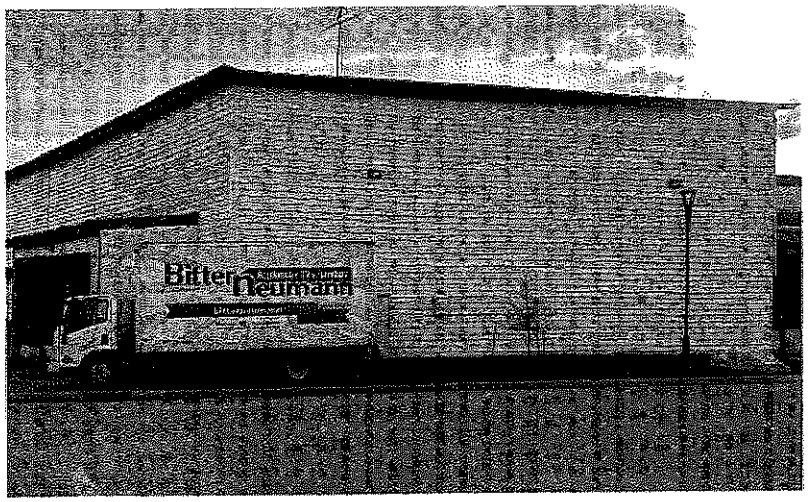
[SEE ATTACHED]

EXECUTION VERSION

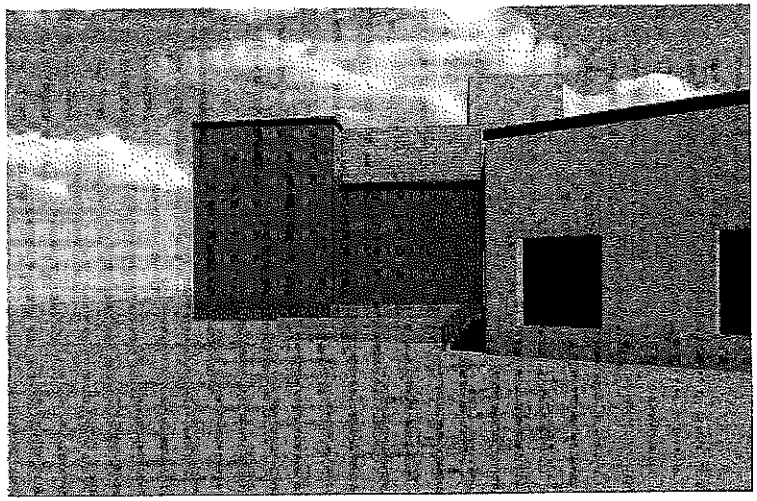
EXHIBIT B



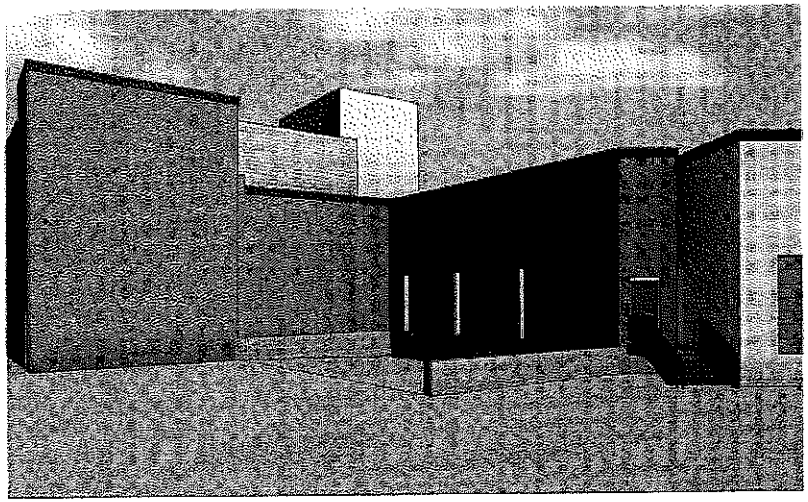
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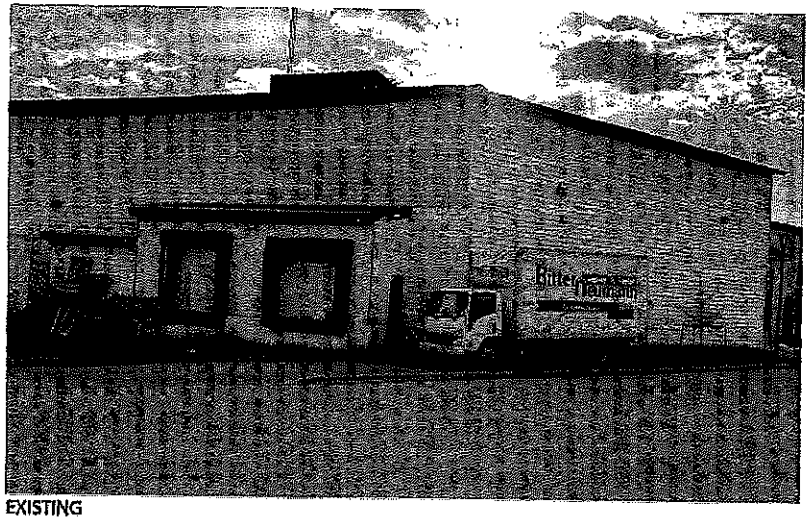


PROPOSED CONCEPT

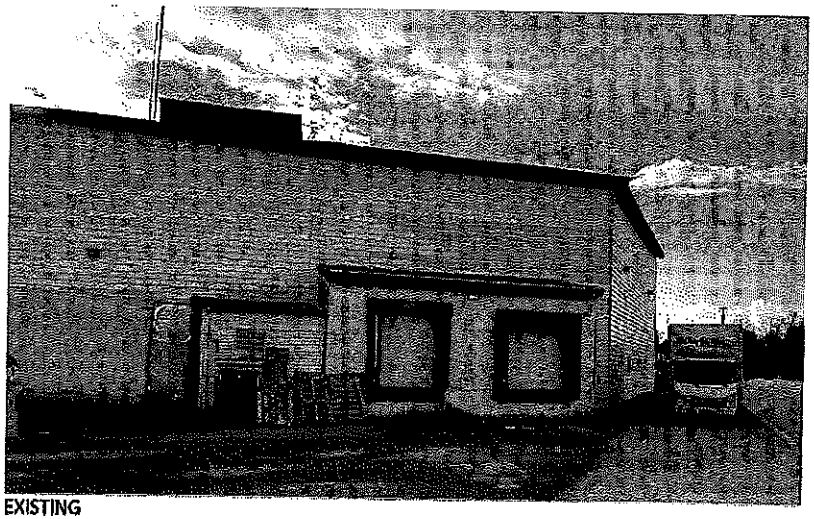


PROPOSED CONCEPT

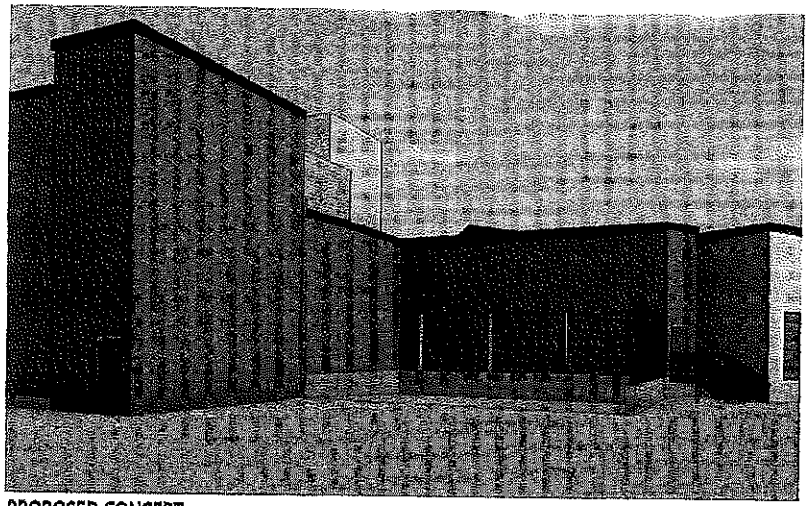
EXHIBIT B



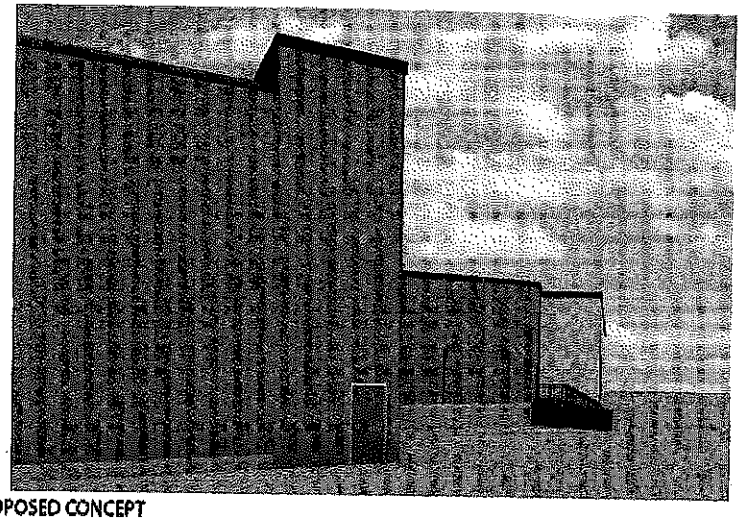
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EXISTING



PROPOSED CONCEPT



PROPOSED CONCEPT

EXHIBIT B

EXECUTION VERSION

EXHIBIT C

MRO

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF SHEBOYGAN
CITY OF SHEBOYGAN

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION ("**MRO**")

Number	Date of Original Issuance	Amount
____	_____	Up to $350,000.00

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "**City**"), promises to pay to RABIT PROPERTIES, LLC (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Revenues described below, without interest.

This MRO shall be payable in installments of principal due on October 31 (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1.

This MRO has been issued to finance projects within the City's Tax Incremental District No. 19, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the resolution adopted on [_____], 20[___], by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District Development Agreement dated as of February 19, 2024 by and between the City and Developer (the "**Development Agreement**"). All capitalized but undefined terms herein shall take on the meaning given to such terms in the Development Agreement.

This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Available Tax Increment generated by the Property and appropriated by the City's Common Council to the payment of this MRO (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the principal due on this MRO, the amount due but not paid shall be deferred. The deferred principal

shall be payable on the next Payment Date until ***the earlier of***: (a) the date this MRO is paid in full, and (b) the Final Payment Date (as defined below). The City shall have no obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date. The owners of this MRO shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the City's Common Council to payment of this MRO. The "**Final Payment Date**" is October 31, 2038.

At the option of the City, this MRO is subject to prepayment in whole or in part at any time.

The City makes no representation or covenant (express or implied) that the Available Tax Increment or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder are subject to appropriation, by the City's Common Council, of Tax Increments or other amounts to make payments due on this MRO. In addition, as provided in Section 5.3 of the Development Agreement, the total amount of principal to be paid shall in no event exceed ***the lesser of***: (a) Three Hundred Fifty Thousand Dollars ($350,000.00), and (b) the sum of all payments made by the City on this MRO during the life of the District but in no event after the Final Payment Date. When such amount of Revenues has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect hereto. Further, as provided in Sections 5.1, 5.3 and 11.1 of the Development Agreement or otherwise, the City's obligations to make payments on this MRO may be suspended or terminated in the event Developer is in Default under any of the terms and conditions of the Development Agreement, provided payments may be resumed when any such Default is timely cured and any payments missed due to an uncured Default also shall be paid from Available Tax Increment upon timely cure of such Default.

THIS MRO IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS MRO IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THIS MRO. FURTHER, NO PROPERTY OR OTHER ASSET OF THE CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

Except as otherwise expressly provided for in the Development Agreement, this MRO may be transferred or assigned, in whole or in part, only upon prior written consent of the City which may be withheld, conditioned or delayed for any reason. Interests in this MRO may not be split, divided or apportioned, except as set forth herein. In order to transfer or assign the MRO, if

permitted by the City, the transferee or assignee shall surrender the same to the City either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the City. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Sheboygan has caused this MRO to be signed on behalf of the City by its duly qualified and acting City Administrator and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF SHEBOYGAN

By: EXHIBIT
Name: _____, City Administrator

(SEAL)

Attest: EXHIBIT
Name: _____, City Clerk

EXHIBIT C

Schedule 1

Payment Schedule

Subject to the City's actual receipt of Available Tax Increment and the terms and conditions of the Development Agreement (including, without limitation, the City's right to modify this payment schedule based upon market conditions and the actual and projected Available Tax Increment generated from the Project), the City shall make the following payments on the MRO to Developer:

Payment Date	Payment Amount
October 31, 2026	$_____
October 31, 2027	$_____
October 31, 2028	$_____
October 31, 2029	$_____
October 31, 2030	$_____
October 31, 2031	$_____
October 31, 2032	$_____
October 31, 2033	$_____
October 31, 2034	$_____
October 31, 2035	$_____
October 31, 2036	$_____
October 31, 2037	$_____
October 31, 2038	$_____
Total	Up to $350,000.00

EXHIBIT C

REGISTRATION PROVISIONS

This MRO shall be registered in registration records kept by the Clerk of the City of Sheboygan, Sheboygan County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this MRO may thereafter be transferred only upon presentation of this MRO together with a written instrument of transfer in form and substance acceptable to the City and duly executed by the registered owner or his/her/its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of [City Clerk]

EXHIBIT C

EXECUTION VERSION

EXHIBIT D

Members of Developer

MEMBERS OF DEVELOPER:

(1) Dan Radue (100%)

CITY OF SHEBOYGAN
RESOLUTION 93-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of June 16, 2025, between the City of Sheboygan and North Sixth Seventh, LLC, a Wisconsin limited liability company (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

WHEREAS, the City of Sheboygan, Wisconsin created Tax Incremental District No. 25 ("TID 25") for the purpose of promoting redevelopment; and

WHEREAS, North Sixth Seventh, LLC has agreed to construct and install certain improvements on the real estate (as described in greater detail in EXHIBIT A of the Development Agreement, the "Real Estate") in TID 25 (the "Project"); and

WHEREAS, in order to further its development efforts in TID 25, the City agrees to apply a portion of the tax increment revenues from TID 25 to reimburse Developer for a portion of the costs of the Project as a consideration for the other benefits provided to the City by Developer, in accordance with the terms of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to issue the City's MRO on such terms and conditions as set forth in the Development Agreement in consideration for the obligations undertaken by the Developer in constructing the Project and as otherwise set forth in the Development Agreement. The MRO shall be in the principal amount of $1,600,000 and shall not bear any interest.

The MRO shall be payable in installments of principal due on October 31 in each of the years and in the amounts of Available Tax Increment for such year as set forth in the Development Agreement.

The MRO shall be signed by the manual or electronic (e.g., DocuSign or other similar technology) signatures of the Mayor and Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the MRO, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or an electronic transmission thereof.

The MRO shall be in substantially the form set forth in the attached Development Agreement.

The MRO shall be payable only out of the "Special Redemption Fund" (the "Fund"), as hereinafter provided, and shall be a valid claim of the owner thereof only against the Fund and from the revenues pledged to such Fund, and shall be payable solely from "Available Tax Increment" (as defined in the Development Agreement) derived from the Real Estate which have been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to the payment of the MRO.

As stated above, the application of Available Tax Increment to payment of the MRO is subject to annual appropriation by the Common Council. However, and without in any way limiting the foregoing appropriation powers, the City fully expects and anticipates that to the extent Available Tax Increment is generated by the Real Estate it will appropriate, in each year, the Available Tax Increment to the payment of the principal of the MRO.

BE IT FURTHER RESOLVED: That for the purpose of the application and proper allocation of the Available Tax Increments, and to secure the payment of the principal of the MRO, the Fund is hereby created and shall be used solely for the purpose of paying principal of the MRO in accordance with the provisions of the MRO and this Resolution.

The City shall deposit in the Fund the Available Tax Increment received by the City attributable to the Real Estate. The monies on deposit in the Fund shall be used to pay principal on the MRO.

Uninvested money in the Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the City as public depositories under the laws of Wisconsin. Such deposits of Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the City.

Money in the Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the MRO. All income from such investments shall be deposited in the Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Fund.

All Available Tax Increment shall be deposited in the Fund, and no other fund is created by this Resolution.

On each Payment Date, the City shall apply Available Tax Increment that has been: (a) received by the City with respect to the Real Estate during that calendar year, and (b) appropriated by the City Council to the payment of the MRO.

If on any Payment Date there shall be insufficient Available Tax Increment appropriated to pay the principal due on the MRO, the amount due but not paid shall accumulate and be payable on the next Payment Date until the Final Payment Date. The City shall have no obligation to pay any amount of principal on the MRO which remains unpaid after the Final Payment Date.

As provided in Section 7.1 of the Development Agreement, the total amount of principal to be paid on the MRO shall not exceed $1,600,000.00. When that amount of Available Tax Increment has been appropriated and applied to payment of the MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect thereto.

BE IT FURTHER RESOLVED: That the City Clerk shall keep books for the registration and for the transfer of the MRO. The person or entity in whose name any MRO shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payments on the MRO shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such MRO to the extent of the sum or sums so paid.

The MRO may be transferred or assigned, in whole or in part, by the registered owner thereof only with the consent of the City and with the satisfaction of all other assignment requirements set forth in the MRO and the Development Agreement, by surrender of the MRO at the office of the Clerk of the City accompanied by an assignment duly executed by the registered owner or such registered owner's attorney-in-fact duly authorized in writing. Upon such transfer or assignment, the Clerk of the City shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the MRO and re-issue the MRO (or a new MRO of like aggregate principal amount and maturity).

BE IT FURTHER RESOLVED: That the Mayor, the City Clerk, the City Administrator and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the MRO.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the MRO), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

BE IT FURTHER RESOLVED: That if any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

EFFECTIVE DATE: This Resolution shall be effective immediately upon its passage and approval.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

EXHIBIT A

DEVELOPMENT AGREEMENT

[SEE ATTACHED]

TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into as of June 16, 2025 (the "**Effective Date**") by and among the CITY OF SHEBOYGAN (the "**City**"), a Wisconsin municipal corporation, and North Sixth Seventh, LLC, a Wisconsin limited liability company ("**Developer**").

RECITALS

A. The City intends to create Tax Incremental District No. 25 ("**District**") as a rehabilitation tax increment district under the City's proposed project plan (the "**Project Plan**") in order to finance various project costs within the District subject to approvals by the City's Common Council and the Joint Review Board for the District pursuant to Wis. Stat. § 66.1105 (the "**TI Act**") and applicable provisions of Wis. Stat. § 66.1337 for an urban renewal project.

B. The City owns seven (7) acres of land located within the boundaries of the District shown in Exhibit A attached hereto and incorporated herein by reference (the "**Property**"), and the City intends to convey the Property to Developer pursuant to the terms of this Agreement.

C. Developer, pursuant to the terms and conditions of this Agreement, is obligated to, among other things, construct a residential development on the Property consisting of twenty-one (21) single-family houses (the "**Project**").

D. Developer acknowledges that but for the MRO (as defined below) provided by the City in this Agreement, Developer would not move forward with the Project.

E. The City believes it is appropriate to use tax increments from the District to provide for, among other things, the MRO for the benefit of the District to facilitate development and redevelopment within the District.

F. The City further believes that the Project, as described in this Agreement, is in the best interests of the City and its residents and is reasonably consistent with the public purposes and the development expectations of the City, including, but not limited to, expanding housing, tax base and employment opportunities within the City.

NOW, THEREFORE, the City and Developer, in consideration of the terms and conditions contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, each agrees as follows:

AGREEMENT

ARTICLE I – REQUIRED INFORMATION; DISTRICT CREATION; TERMINATION

1.1 Required Information. The City shall have no obligations under this Agreement, and shall have the right to terminate this Agreement in accordance with the provisions of Section 1.3 below, if the Required Information (as defined below) has not been timely provided by the Developer to the City in form and substance reasonably acceptable to the City. On or before

August 1, 2025, Developer shall provide to the City the following required information related to the Project (collectively, the "**Required Information**") and such other documentation as the City may request, both in form and in substance acceptable to the City:

(a) A schedule for the construction of Developer Improvements (as defined below) and identifying the following for the Project:

(i) Intended commencement and completion date,

(ii) Reasonably estimated costs associated with the construction, and

(iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Property.

(b) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for the Project, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Developer and Developer's general contractor.

(c) Documentation confirming that Developer has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals relating to the Project. Developer shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for the Project).

(d) A copy of the final construction plans and complete specifications for the intended construction related to the Project that are consistent with the provisions of this Agreement (the "**Final Plans**"). The Final Plans must be certified as final and complete and be signed by Developer, the consulting engineer, architect and the general contractor (as applicable) and approved by the City in writing.

(e) All documents authorizing the construction and financing of the Project and directing the appropriate officer of Developer to execute and deliver this Agreement, the Offer and all other agreements, documents and contracts required to be executed by it in connection with the transactions which are the subject of this Agreement (including, without limitation, authorizing resolutions of Developer).

On or before the Effective Date, Developer shall provide the City with all documents authorizing the appropriate officer of Developer to execute and deliver this Agreement (including, without limitation, authorizing resolutions of Developer).

1.2 Creation of the District. Subsequent to the Effective Date, the City shall make good faith efforts to create the District by initiating and reasonably pursuing the statutory process for the creation of a tax incremental district pursuant to the TI Act.

1.3 Termination Rights.

(a) City Termination Rights. If the City does not receive the approval of the District and the Project Plan by the City Council and the Joint Review Board, as required by Sections 66.1105(4) and 66.1105(4m) of the TI Act, on or before July 1, 2025, the City shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO). If Developer fails to fully and timely provide the Required Information, as determined in the sole discretion of the City, the Developer shall be in Default under this Agreement. If Developer does not provide such Required Information within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO).

(b) Developer Termination Rights. If on or before June 30, 2025: (i) the District is not created; or (ii) Developer has not received the City's approval of the Final Plans, then Developer shall have from August 1, 2025 to and including August 15, 2025 (the "**Developer Termination Period**") to terminate this Agreement. If Developer does not terminate this Agreement during the Developer Termination Period, then Developer is deemed to have waived Developer's right to terminate this Agreement. If the District is not created or Developer has not received the City's approval of the Final Plans on or before June 30, 2025 and Developer terminates this Agreement during the Developer Termination Period, then neither Developer nor the City shall: (i) be in Default under this Agreement, or (ii) have any obligation to perform any act under this Agreement.

(c) Notwithstanding any provision herein to the contrary, if the District is timely created or the conditions for the Developer Termination Period are satisfied but Developer does not terminate this Agreement during the Developer Termination Period and Developer wishes to terminate this Agreement prior to the earlier of: (i) September 1, 2025, or (ii) the delivery of the Commencement Notice to the City, Developer may terminate this Agreement provided Developer: (A) delivers to the City copies of all due diligence reports and related materials Developer received on the Property, and (B) reimburses the City for all costs and expenses incurred or to be incurred by the City with regard to the preparation, drafting and negotiation of this Agreement (including, without limitation, all attorneys' fees and costs).

ARTICLE II – CONVEYANCE OF THE PROPERTY

2.1 Property to be Conveyed. Subject to the terms and conditions set forth in this Agreement (including, without limitation, ARTICLE I above), the City agrees to convey the Property and all improvements thereon to Developer as set forth in this Agreement.

2.2 General Terms and Conditions. The conveyance that transfers the Property to Developer shall be subject to the following terms and conditions:

(a) The Property shall be conveyed by special warranty deed in the form and substance attached hereto as Exhibit B (the "**Special Warranty Deed**") with good and

marketable title, free and clear of all liens, security interests, mortgages or encumbrances of any kind, except for municipal and zoning ordinances and agreements entered into under them, recorded easements, recorded building and use restrictions and covenants, the property tax exemption restriction and transfer restriction set forth in this Agreement (see Sections 2.4, 8.2 and 8.3 below) and the permitted encumbrances on the Property as set forth on Exhibit C attached hereto (collectively, the "**Permitted Encumbrances**"); provided, however, that the City, at the City's sole cost and expense, shall make good faith efforts to terminate or relocate the utility easements listed as Permitted Encumbrances in paragraphs 19 and 22 in Exhibit C (the "**Interfering Easements**") so such easements no longer interfere with the Developer Improvements and the Project, but, for the avoidance of any doubt, the City's inability to relocate or terminate the Interfering Easements shall not be a Default by the City under this Agreement;

(b) Title to the Property shall be insured by a policy of title insurance, or a binding commitment for such a title policy, that covers all of the Property and will be effective as of the Closing Date (as hereinafter defined) and insure the quality of title of the subject property as provided in Section 2.2(a) above but subject to standard title insurance exceptions;

(c) Developer shall be responsible for paying all costs related to evidence of title in the form of a commitment for an owner's policy of title insurance with a gap endorsement, on a current ALTA form issued by a title insurer selected by the City. Further, Developer shall be responsible for obtaining any additional endorsements and paying for all premiums and costs associated with the owner's policy (and lender's policy, as applicable) of title insurance covering the property being acquired in such amounts as may be determined by Developer. Each party hereto shall promptly execute and deliver to the other such other documents, certifications and confirmations as may be reasonably required and designated by the title insurer to issue the policies of title insurance described above;

(d) The taxes, assessments and utilities, if any, will be prorated on the Closing Date;

(e) The closing for the conveyance of the Property shall be on: (1) the thirtieth (30th) calendar day following the City's receipt of the Commencement Notice (as defined below); or (2) another date agreed to by the parties in writing (the "**Closing Date**"), provided, in all respects, that there is no Event of Default existing under this Agreement; and

(f) If the City conveys the Property to Developer, all or such portion of the Property (as applicable) is being conveyed "AS-IS, WHERE-IS" and "WITH ALL FAULTS," and the City is making no representations or warranties, express or implied, with respect to the condition of the subject property or improvements. Developer agrees that Developer is relying exclusively upon Developer's own inspection of the Property being conveyed and all improvements thereon. **DEVELOPER HEREBY WAIVES ANY AND ALL CLAIMS AGAINST THE CITY, THE CITY'S OFFICERS, OFFICIALS, MANAGERS, EMPLOYEES, ATTORNEYS, AGENTS AND**

REPRESENTATIVES, INCLUDING, WITHOUT LIMITATION, CLAIMS BASED IN TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, STRICT LIABILITY AND STRICT RESPONSIBILITY), IN CONTRACT, IN WARRANTY, IN EQUITY OR UNDER ANY STATUTE, LAW OR REGULATION ARISING DIRECTLY OR INDIRECTLY OUT OF ANY CONDITION OF THE PROPERTY OR IMPROVEMENTS THEREON, EXCEPT TO THE EXTENT SUCH CLAIMS ARISE SOLELY OUT OF THE FRAUD OR INTENTIONAL MISCONDUCT OF THE CITY.

2.3 Consideration. At the time of the closing of the conveyance of the Property by the City to Developer, Developer shall pay to the City a purchase price for the Property in the amount of one dollar ($1.00).

2.4 Property Tax Exemption Restriction. The Special Warranty Deed shall include a covenant affecting the Property conveyed to Developer (and running with the land) that prohibits all current and future owners or users of (including any other party with an interest – whether ownership, leasehold or otherwise – in) the Property from using or permitting the use of all or any portion of the Property in any manner which would render the Property exempt from property taxation.

2.5 Subsequent Conveyance by Developer. For the avoidance of any doubt, Developer may convey all or any portion of the Property to any third party, subject to the provisions in Sections 2.4 above and 8.2 below. Notwithstanding the preceding sentence or the conveyance of the Property to a third party or third parties, Developer at all times shall remain fully responsible for all obligations of Developer under this Agreement (including, without limitation all guaranty obligations) and the previous sentence in no way modifies any representations, warranties, covenants or agreements of Developer under this Agreement (including, without limitation, the representations, warranties, covenants or agreements set forth in Sections 8.2 or ARTICLE X below).

ARTICLE III - COMMENCEMENT NOTICE AND DEVELOPER IMPROVEMENTS

3.1 Commencement Notice. Developer shall provide a written notice to the City of Developer's intention to commence the Project on or before September 1, 2025 (the "**Commencement Notice**"). To be effective, the Commencement Notice shall be accompanied by, or Developer shall have previously delivered to the City, all of the Required Information. If Developer has not timely exercised Developer's right to terminate this Agreement under Section 1.3(c) above and does not timely provide the Commencement Notice and all of the Required Information to the City, Developer will be deemed to not be ready to develop the Project and be in Default under this Agreement. If Developer does not cure all outstanding Default(s) within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have no obligation to perform any obligation of the City under this Agreement (including, without limitation, issuing the MRO) and the City may terminate this Agreement.

3.2 Developer Improvements. Developer shall undertake, at Developer's own expense, the following improvements, obligations and work on the Property consistent with the

Final Plans and all applicable laws, regulations and ordinances (collectively, the "**Developer Improvements**"):

(a) Developer shall construct and timely complete the Project. Developer shall commence construction of the Project (installing foundations for the first home as depicted in the preliminary site plan attached as Exhibit D) on or before October 1, 2025. Upon such commencement, Developer shall proceed to fully-satisfy and complete all of the improvements, obligations and work set forth in this Section 3.2 with due diligence and without unreasonable delay or interruption (with the exception of force majeure events, if any, as defined in Section 18.10 below). Developer is targeting completion of five (5) single-family homes on or before December 31, 2025, eight (8) additional single-family homes (for a total of thirteen (13) homes) on or before December 31, 2026 and eight (8) additional single-family homes (for a total of twenty-one (21) homes) on or before December 31, 2027 (the "**Completion Date**"). Each home shall be deemed complete once such home is available for occupancy. If Developer does not construct twenty-one (21) single-family homes on or before December 31, 2027, Developer shall be in Default under this Agreement. For the avoidance of any doubt, the targeted completion of five (5) single-family homes on or before December 31, 2025 and eight (8) additional single-family homes (for a total of thirteen (13) homes) on or before December 31, 2026 are targets and failure by Developer to satisfy these targets for 2025 and 2026 timely shall not be a Default under this Agreement. Notwithstanding any provision herein to the contrary, if the City does not successfully relocate or terminate the Interfering Easements as contemplated in Section 2.2(a) above by December 31, 2026, then the total number of single-family houses to be completed by Developer under this Agreement may be reduced from twenty-one (21) to nineteen (19) and no single-family houses will be required to be built on Lots 10 and 20 as shown on the preliminary site plan in Exhibit D. For the avoidance of any doubt, the potential reduction of single-family homes required in this Agreement pursuant to the express conditions set forth in the immediately preceding sentence does not impact the targeted completion numbers for single-family houses to be built in 2025 or 2026 and only impacts the total number to be completed by the end of 2027.

(b) Developer shall promptly pay for all applicable City impact fees and charges related to the Project.

(c) Developer shall be responsible for all landscaping on the Property, including, without limitation, trees, shrubs, seeding or sod related to the Project.

(d) Developer shall install, or have installed, all electric, gas, fiber-optic, telephone and cable services and all improvements for the use and operation of the Project.

(e) Developer shall install, or have installed, all sanitary sewer and water laterals on the Property, as well as connections of such laterals to new or existing sewer and water mains.

(f) Developer shall install, or have installed, all storm water drainage systems and facilities on the Property, including drain tiles, pipes, detention ponds and retention ponds, consistent with all applicable laws, regulations and specifications for such systems and facilities.

(g) Developer shall be responsible for all erosion control measures related to Project and the construction of all improvements on the Property.

(h) Developer shall be responsible for all costs related to the work to be performed by Developer under this Agreement, including, but not limited to, all applicable engineering, inspections, materials, labor, permit, impact, license and any and all other fees.

The obligations on Developer under this Agreement shall be deemed covenants running with the land and shall be applicable to Developer's successors and assigns and all other persons or entities acquiring any interest in the Property during the term of the District.

3.3 Progress and Quality of Work. Upon commencement of the Developer Improvements, Developer shall proceed to the full completion of the Developer Improvements with due diligence and without delay or interruption with the exception of force majeure events, if any, as defined in Section 18.10 below. Subject to the foregoing, completion of the Project shall occur on or before the Completion Date. All work to be performed by or on behalf of Developer related to the Project shall be performed in a good and workmanlike manner, consistent with the prevailing industry standards for such work in the area of the City

3.4 Compliance Obligations. All of the Developer Improvements shall be completed in accordance with all applicable laws, regulations, ordinances and building and zoning codes and Developer shall, at Developer's cost, obtain and maintain all necessary permits and licenses for the Developer Improvements.

3.5 Indemnification and Insurance Required of Private Contractors. Developer hereby expressly agrees to indemnify and hold the City harmless from and against all claims, costs and liability related to any damage to the Property or injury or death to persons caused by Developer's performance of the Developer Improvements or any other work required of Developer under this Agreement, unless the cause is due to the willful misconduct by the City.

3.6 Compliance with Law. Developer shall comply with all applicable laws, ordinances, and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, Developer shall be subject to any applicable laws, ordinances and regulations that become effective after approval.

3.7 Payment of Taxes. Developer shall timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due.

3.8 Time is of the Essence. Time is of the essence with reference to Developer's obligation to commence and complete the Developer Improvements. Developer acknowledges that the timely performance of its respective work under this Agreement is critical to the collection

of the tax increment upon which the parties are relying for the performance of their respective obligations under this Agreement.

3.9 Reconstruction. Until the District is closed, in the event of any casualty, loss or damage to the improvements on the Property owned by Developer (or by any entity affiliated with Developer in any way or with a common owner/owners or member/members as Developer or any entity affiliated with Developer in any way), Developer shall proceed with the repair and replacement of such improvements on such Property affected by such a loss or damage and restore such improvements to at least the condition and quality that such improvements were in, and with an equalized value at least equal to the equalized value, immediately prior to the casualty, loss or damage (each an "**Uncured Casualty Loss**"). Subject to force majeure delays, in no event shall Developer take longer than one hundred eighty (180) calendar days after the date of a loss or damage to restore the affected improvements. If Developer fails to timely comply with all of the requirements in this Section 3.9, Developer shall be in Default under this Agreement and the City shall be entitled to the remedies set forth in this Agreement and available in equity or applicable law.

ARTICLE IV– DEVELOPER GUARANTY AND OBLIGATIONS

4.1 Guarantied Value. The parties anticipate that, upon completion, the currently contemplated land and improvements related to the Project will have an equalized value for purposes of real property assessment ("**Equalized Value**") of not less than Eight Million Dollars ($8,000,000.00; the "**Guarantied Value**") by December 31, 2027. If, and only if, the City does not successfully relocate or terminate the Interfering Easements as contemplated in Section 2.2(a) above and the total number of single-family houses to be completed by Developer under this Agreement is reduced from twenty-one (21) to nineteen (19), then, and only then, the Equalized Value and the Guarantied Value required to be created by December 31, 2027 shall be reduced to Seven Million Two Hundred Thousand Dollars ($7,200,000.00). As a condition to entering into this Agreement, the City requires that Developer guaranty a minimum Equalized Value for the land and improvements related to the Project. By executing this Agreement, Developer guaranties that, on and after December 31, 2027 (the "**Guarantied Value Date**"), the Equalized Value of the land and improvements on the Property shall at all times during the life of the District be at least the Guarantied Value. If the Equalized Value of the Property is less than the Guarantied Value any time on or after the Guarantied Value Date, the Developer shall be in Default under this Agreement.

4.2 Failure to Construct. If Developer provides a Commencement Notice as required by Section 3.1 but does not timely complete construction of the Project as herein provided, then Developer shall pay to the City all sums incurred by the City with regard to the preparation and drafting of this Agreement and all other sums not recoverable from Tax Increments (as defined below), and be obligated to reconvey any and all portions of the Property owned by Developer (or by any entity affiliated with Developer in any way or with a common owner/owners or member/members as Developer or any entity affiliated with Developer in any way) at such time as follows:

(a) by Special Warranty Deed;

(b) insured by a policy of title insurance, or a binding commitment for such a title policy, with a gap endorsement, all of which are at the expense of Developer, that will be in the same insurance amounts obtained by Developer in the policy provided under Section 2.2(c) above, effective as of the reconveyance date and insure the quality of title of the Property free and clear of all liens, security interests, mortgages and encumbrances, except for Permitted Encumbrances;

(c) subject to the proration of taxes, utilities and any and all other assessments applicable to the Property being re-conveyed to the City; and

(d) at the time of the closing of the reconveyance of the Property by Developer to the City, the City shall pay to Developer a purchase price for the Property in the amount of one dollar ($1.00).

All repayments and reconveyances shall be completed within thirty (30) calendar days after Developer's non-performance or Default under this Agreement.

4.3 Guaranty Obligations. If on or any time after the Guarantied Value Date, whether as a result of an Uncured Casualty Loss or otherwise, the Equalized Value of the Property is less than the Guarantied Value (each a "**Shortfall Event**"), then Developer shall owe the City an amount equal to the difference between (a) the Tax Increment the City otherwise would have received on the Property if the Property's Equalized Value equaled the Guarantied Value, and (b) the Tax Increment received by the City in the year a Shortfall Event occurs (such difference between (a) and (b) being referred to herein as the "**Tax Increment Shortfall**"). For the avoidance of any doubt, a Shortfall Event shall be a Default under this Agreement but the payment by Developer to the City of the applicable Tax Increment Shortfall amount shall cure such Shortfall Event and Default. If a Tax Increment Shortfall is owed to the City, then unless and until the Equalized Value of the Property increases to at least the Guarantied Value, for each January 1 following a Shortfall Event, that the Equalized Value of the Property is less than the Guarantied Value, Developer shall pay to the City an amount equal to the Tax Increment Shortfall for such calendar year. If and when the Equalized Value of the Property as of any January 1 is equal to or greater than the Guarantied Value: (i) no further January 1 assessment valuations shall occur or be required, and (ii) no Tax Increment Shortfall payment obligation shall be incurred for such year or any year thereafter, unless a new Shortfall Event occurs. If a Tax Increment Shortfall continues through the closing of the District, no further Equalized Value assessment calculations shall occur and no further Tax Increment Shortfall payment obligations of Developer shall arise after the District is closed. Developer agrees that it shall not, and hereby waives any right to, during the life of the District, challenge the assessed value of the Property below the Guarantied Value. Nothing in this Agreement shall prevent Developer from imposing restrictive covenants on the Property that would obligate future owners of portions of the Property to rebuild improvements after a casualty loss on such portions of the Property to at least the equalized value of such improvements immediately prior to the casualty loss.

4.4 Payment of Tax Increment Shortfall. Any Tax Increment Shortfall payment due to the City shall be deducted from any MRO payment (otherwise due Developer but for the Default) from the City during the year in which the Tax Increment Shortfall payment obligation arises. If the Tax Increment Shortfall payment exceeds the amount of such MRO

payment, Developer shall pay to the City an amount equal to the difference between such MRO payment and the Tax Increment Shortfall. If there is no MRO payment due Developer for such year, Developer shall pay to the City the full amount of the Tax Increment Shortfall for such year. Any Tax Increment Shortfall payment due to the City from Developer pursuant to this ARTICLE IV shall be made within ten (10) days of written request for payment by the City.

ARTICLE V – CITY IMPROVEMENTS

5.1 City Work. On or before December 31, 2025, the City shall install the improvements and perform the work to be performed by the City as listed in Exhibit E attached hereto and incorporated by reference (the "**City Improvements**") as provided in Exhibit E and pursuant to the terms of this Agreement. If the City Improvements are not completed within the timeframes provided in Exhibit E, solely as a result of acts or omissions by the City or any of the City's contractors (each, a "**City Delay**"), the City shall not be in default under this Agreement but any performance dates applicable to Developer Improvements that require the specific City Improvements (or any of them) to be complete in order to commence or complete such Developer Improvements shall be automatically extended for the same period of time (on a calendar day for calendar day basis) as the City Delay.

ARTICLE VI – ACCESS, INSPECTIONS AND CONTRACTORS

6.1 Access and Inspections. Developer hereby grants to the City, its agents, employees, officials, representatives, contractors and consultants the right to enter upon the Property at all reasonable times (upon reasonable advance notice to Developer) for the City to inspect the Property and the Project.

6.2 Inspections for City's Benefit Only. Each inspection conducted by the City or the City's agents shall be deemed to have been for the City's own benefit and shall in no way be construed to be for the benefit of or on behalf of Developer. Developer shall not (and hereby each waives any right to) rely in any way upon such inspections, appraisals or determinations of the City.

6.3 Contractors and Consulting Engineers. At any time, the City shall have the right to retain consulting engineers and architects to perform services for the City (which shall be at the City's expense, unless the City must perform inspections as a result of Developer's failure to meet the Final Plans then such expenses will be at Developer's expense) including, without limitation:

(a) to make periodic inspections with reasonable advance notice to Developer for the purpose of assuring that construction is in accordance with the Final Plans and the requirements of this Agreement;

(b) to advise the City of the anticipated cost of, and a time for, the completion of construction work; and

(c) to review and advise the City of any proposed changes in the construction of the Project.

The City's selection of, and reliance upon, the consulting engineers and architects shall not give rise to any liability on the part of the City for the acts or omissions of the consulting engineers or architects or their employees or agents.

Contractors selected for the Project shall be qualified in the City to perform the work, shall be licensed to do business in the State of Wisconsin, shall have experience in providing the type of work and materials required of Developer Improvements, and shall have a good reputation for diligent performance of their obligations under their respective contracts.

ARTICLE VII – MUNICIPAL REVENUE OBLIGATION

7.1 Municipal Revenue Obligation. Pursuant to the terms of this Agreement, the City agrees to issue to Developer, within ninety (90) calendar days after the City's receipt of the Commencement Notice, a non-interest bearing municipal revenue obligation (the "**MRO**"). The amount paid under the MRO shall equal ***the lesser of***: (a) One Million Six Hundred Thousand Dollars ($1,600,000.00; or if the City does not successfully relocate or terminate the Interfering Easements as contemplated in Section 2.2(a) above and the total number of single-family houses to be completed by Developer under this Agreement is reduced from twenty-one (21) to nineteen (19), then the aforementioned One Million Six Hundred Thousand Dollars ($1,600,000.00) MRO amount shall be reduced to One Million Four Hundred Forty Thousand Dollars ($1,440,000.00)), and (b) the sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date (as defined below).

Except as otherwise provided herein, payments on the MRO will equal the Available Tax Increment in each year appropriated by the City's Common Council until and including ***the earlier of*** the date this Agreement is terminated, the date the District is terminated, the Final Payment Date and the date the MRO is paid in full. "**Available Tax Increment**" means an amount equal to the difference between the Tax Increment actually received by the City and appropriated by the City's Common Council in each year **less** the following (collectively, the "**Priority Project Costs**"): (i) all costs incurred or to be incurred and all debt service payments incurred or to be incurred by the City in a given year for work performed or to be performed with regard to the Project or the Property (including, without limitation, the City Improvements); (ii) the amount of the City's administrative expenses, including, but not limited to, reasonable charges for the time spent by City employees in connection with the negotiation and implementation of this Agreement, (iii) professional service costs, including, but not limited to, those costs incurred by the City for outside architectural, planning, engineering, inspections, financial consulting and legal advice (including, without limitation, attorneys' costs and fees) and services related to the negotiation and implementation of this Agreement, and (iv) other eligible project costs previously incurred by the City in preparation for this Project or to be incurred by the City under the Project Plan, including, without limitation, site acquisition, preparation and costs and expenses related to the Property or the Project provided such eligible project costs are not financed by the debt service referenced in (i) above. Any Priority Project Cost not paid due to insufficient Tax Increment shall be carried forward and paid from Tax Increment in the next year, or if necessary, following years until fully paid. The City and Developer each agrees that, for the purposes of calculating Available Tax Increment only, the Priority Project Costs shall be capped, in the aggregate, at One Million Dollars ($1,000,000.00). "**Tax Increment**" shall have the meaning given under Wis. Stat. § 66.1105(2)(i)

but shall be limited to the Tax Increment attributable to the Project, the land and improvements on the Property.

Provided that Developer is not in Default under this Agreement, the City shall, subject to annual appropriation of such payment by the City's Common Council, pay the Available Tax Increment, if any, to the holder of the MRO in one annual payment, on or before October 31st of each year commencing on October 31, 2027, and continuing to (and including) the earlier of the date the MRO is paid in full or October 31, 2052 (each, a "**Payment Date**"). Notwithstanding the previous sentence, in the event that Developer is in Default on a Payment Date, payment by the City may be suspended until all outstanding Defaults are cured.

To the extent that on any Payment Date the City is unable to make all or part of a payment of principal due on the MRO from such Available Tax Increment due to an absence of adequate Available Tax Increment, non-appropriation by the City's Common Council or otherwise, such failure shall not constitute a default by the City under the MRO. The amount of any such deficiency shall be deferred without interest. The deferred principal shall be due on the next Payment Date on which the City has the ability to payout Available Tax Increment. The term of the MRO and the City's obligation to make payments hereunder shall not extend beyond the earlier of October 31, 2052 (the "**Final Payment Date**") or the date the MRO is paid in full. If the MRO has not been paid in full by the Final Payment Date, then the City shall have no obligation to make further payments on the MRO. Upon the earlier of the date the MRO is paid in full and the Final Payment Date, the MRO shall terminate and the City's obligation to make any payments under the MRO shall be fully discharged, and the City shall have no obligation and incur no liability to make any payments hereunder or under the MRO, after such date.

The MRO shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment which has been appropriated for that purpose, and then only to the extent and in the manner herein specified. The MRO is a special, limited revenue obligation of the City and shall not constitute a general obligation of the City. The City will use good faith efforts to annually appropriate the Available Tax Increment for the MRO, until the earlier of the Final Payment Date, the termination of this Agreement or the MRO, or the payment in full of the MRO as provided herein. If Available Tax Increment is received by the City earlier than the first Payment Date, the applicable portion of such increment shall be retained by the City and applied to the first payment subject to appropriation by the City Common Council. Developer shall not have the right to assign the MRO except as set forth therein. Interests in the MRO may not be split, divided or apportioned.

7.2 MRO Form. The MRO shall be substantially in the form attached to this Agreement as Exhibit F (which is incorporated herein by reference) and shall be payable in accordance with the terms and conditions set forth in this Agreement and such MRO. In the event of a conflict between the terms of this Agreement and the terms of the MRO, the terms in this Agreement shall prevail. The principal payments shall be payable solely from the Available Tax Increment appropriated by the City. On or about each Payment Date under the MRO, the City shall provide to Developer an accounting identifying the Available Tax Increment, the amount of the payment being made on such Payment Date, and, if applicable, the remaining principal balance due on the MRO after the application of such payment.

7.3 Issuance of MRO and Payment Limitation. Provided that Developer is not in Default under this Agreement beyond the applicable cure period (if any), the City will deliver the MRO to Developer within ninety (90) calendar days after the City's receipt of the Commencement Notice. Notwithstanding the previous sentence, in the event that Developer is in Default prior to the City's issuance of the MRO, the City shall not be required to deliver the MRO to Developer until a reasonable time after, but in no event less than thirty (30) calendar days after, all such Defaults are cured, provided each Default is cured within the applicable cure period for such Default. If the City does not timely provide the MRO to Developer, the Developer shall make a written request to the City to deliver the executed MRO within thirty (30) calendar days after the date of such written request by the Developer. The total amount of principal to be paid under the MRO shall in no event exceed ***the lesser of***:

(a) One Million Six Hundred Thousand Dollars ($1,600,000, or $1,440,000 for the reasons contemplated in Section 7.1 above); and

(b) The sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date.

The City's obligation to make payments on the MRO is conditioned on the requirement that Developer is not in Default under this Agreement. For the avoidance of any doubt, upon the occurrence of a Default, the City may suspend all payments until the Default is cured and, upon the expiration of all applicable cure periods for such Default, the City may exercise any and all available remedies.

7.4 Payment of Priority Project Costs and Repayment Schedule. From the Tax Increment received by the City each year, the City shall first pay the outstanding Priority Project Costs, subject to the cap set forth in Section 7.1 above. The estimated repayment schedule of the MRO shall be set forth in Schedule 1 to the MRO. The City reserves the right to modify the MRO repayment schedule based upon market conditions, applicable Priority Project Costs and the actual and projected Available Tax Increment generated from the Project. The Available Tax Increment held by the City each year shall be applied to the payment of principal due on the MRO in accordance with the payment schedules set forth in such MRO until a maximum payout has been made (which equals the Available Tax Increment for a given year), subject to appropriation by the City Common Council.

ARTICLE VIII – ZONING, LAND USE AND RESTRICTIVE COVENANT

8.1 Zoning Compliance. The Project shall be in compliance with the applicable zoning ordinance and land use guidelines applicable to the Property and shall be subject to the payment of any applicable impact fees in the amounts applicable at the time each required permit is issued, unless otherwise provided herein. Nothing in this Agreement shall obligate the City to grant variances, re-zoning, exceptions or conditional use permits related to the Project.

8.2 Tax Status/Restrictive Covenant. Without the prior written consent of the City (which may be withheld for any reason), Developer shall not use or permit the use of the Property in any manner which would render the Property exempt from property taxation during the life of the District. Further, Developer will not challenge or contest any assessment on the Property by

the City, including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding with regard to an assessed value of the Property that is at or below the Guarantied Value. Prior to the conveyance of all or any portion of the Property, Developer agrees to record on the Property with the Sheboygan County Register of Deeds a deed restriction or restrictive covenant evidencing the restrictions on the Property set forth in this Section 8.2. The foregoing deed restrictions or restrictive covenants shall permit, but shall not obligate, the City to enforce such deed restrictions or restrictive covenants and shall be in form and in substance acceptable to the City. The deed restrictions or restrictive covenants shall continue to be applicable until the termination of the District. However, Developer shall not have a continuing obligation for compliance with this provision as to any portion of the Property in which Developer no longer maintains any interest (whether as owner, tenant, occupant or otherwise) provided that Developer has timely recorded the deed restriction or restrictive covenant as approved by the City.

8.3 Land Dedications, Transfers and Easements for the Project. Developer agrees to make such land dedications and to grant such temporary or permanent easements as are required by the City for the construction and maintenance of the Project. All documentation for such dedications or easements shall be in form and substance acceptable to the City and Developer. Developer agrees to cooperate with the City if the City desires to prepare certified survey maps or other documentation as deemed appropriate by the City to facilitate the implementation and documentation of such dedications and easements and to adjust the lot lines of the Property in a manner reasonably acceptable to the City and Developer.

ARTICLE IX – ASSIGNMENTS AND CHANGES OF CONTROL

9.1 Assignments and Change of Control. This Agreement and the MRO shall not be assignable by Developer without the prior written consent of the City (which may be withheld by the City for any reason). The ownership or control of Developer shall not be transferred to any person or entity without the prior written consent of the City (which may be withheld by the City for any reason). The prohibition on the transfer of ownership or control shall not be applicable in the event of the death of a member and the interest being transferred is the deceased member's interest. The term "ownership or control" shall mean twenty percent (20%) or more of the Ownership Interests in Developer. For the purposes of this Agreement, "**Ownership Interests**" shall mean the members' rights to share in distributions and other economic benefits of Developer, the members' rights to participate in decision making, or both. The current members of Developer are identified on Exhibit G attached hereto and incorporated herein by reference.

In the event this Agreement is assigned by Developer, such assignee shall execute all documents required by the City to confirm that such assignee is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement. Further, in the event this Agreement is assigned by Developer, Developer agrees to remain jointly and severally liable for all obligations of the Developer (whether to be completed by itself or its assign) under this Agreement.

Notwithstanding any provision herein to the contrary, this Agreement and the MRO may be collaterally assigned to a mortgage lender financing the development and completion of the Project.

ARTICLE X – DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1 Developer Representations, Warranties and Covenants. Developer represents, warrants and covenants that:

(a) Developer is a limited liability company duly formed and validly existing in the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition;

(b) Developer has full authority to execute and perform this Agreement and the Offer and has obtained all necessary authorizations (whether by official board resolution or action, unanimous written consent in lieu of a meeting or otherwise) to enter into, execute, perform and deliver this Agreement and the Offer;

(c) the execution, delivery, and performance of Developer's respective obligations pursuant to this Agreement and/or the Offer will not violate or conflict with (i) Developer's articles of organization, operating agreement or any indenture, instrument or agreement by which it is bound, (ii) any other agreement to which Developer is a party, or (iii) any law applicable to Developer, the Offer or the Project;

(d) this Agreement constitutes (and any instrument or agreement that Developer is required to give under this Agreement (including, without limitation, the Offer) when delivered will constitute) legal, valid, and binding obligations of Developer enforceable against Developer in accordance with their respective terms;

(e) Developer will expeditiously complete the development and construction of Developer Improvements and the Project in a good and workmanlike manner and in accordance with all acceptable statutes, ordinances and regulations, any restrictions of record and the Final Plans provided to the City regarding the Project;

(f) Developer will not make or consent to any material modifications to the Final Plans without the prior written consent of the City;

(g) Developer will discharge all claims for labor performed and materials, equipment, and services furnished in connection with the construction of Developer Improvements and the Project; nothing contained in this Agreement shall require Developer to pay any claims for labor, services or materials which it, in good faith, disputes and is currently and diligently contesting, provided, however, that Developer shall, within ten (10) calendar days after the filing (or the assertion) of any claim of lien that is disputed or contested by Developer, obtain and record (if required by the City) a surety bond sufficient to release said claim or lien or provide the City with other such assurances that the City may require;

(h) Developer will take all steps to forestall claims of lien against the Property (any part thereof or right or interest appurtenant thereto) or any personal property and fixtures located or used in connection with the Property;

(i) Developer will maintain, at all times during construction, a policy of builder's risk completed value and contractor's multiple perils and public liability, extended coverage, vandalism and malicious mischief hazard insurance covering the Property in at least the amount of the full replacement, completed value of the improvements on the Property;

(j) Developer will timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due, as well as claims for labor and materials which, if unpaid, might become a lien or charge upon the Property;

(k) Developer will promptly furnish to the City, during the term of this Agreement, written notice of any litigation affecting Developer and any claims or disputes which involve a material risk of litigation against Developer;

(l) Developer shall deliver to the City revised statements of estimated costs of the construction for Developer Improvements showing changes in or variations from the original cost statement provided to the City as soon as such changes are known to Developer;

(m) Developer shall provide to the City, promptly upon the City's request, any information or evidence deemed necessary by the City related to performance of Developer under this Agreement to enable the City to timely and accurately complete any accounting or reporting requirements applicable to the City related to the transactions under this Agreement;

(n) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Developer is pending or threatened, and no other event has occurred which may materially adversely affect Developer's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the City in writing;

(o) there are no delinquent outstanding personal property taxes, real estate taxes, or special assessments affecting the Property; and

(p) subject to the terms of this Agreement, it shall not at any time challenge or contest any assessment on the Property by the City including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding with regard to an assessed value of the Property that is at or below the Guarantied Value.

10.2 Execution Representations and Warranties. The person(s) signing this Agreement on behalf of Developer represent(s) and warrant(s) that he/she/they have full power and authority to execute this Agreement on behalf of Developer and to bind Developer to the terms and conditions of this Agreement.

10.3 Cooperation. Developer warrants that it shall exercise all reasonable diligence and expend all commercially reasonable efforts to undertake its obligations under this Agreement and the Offer.

ARTICLE XI – CITY REPRESENTATIONS

11.1 City Representations. The City represents that:

(a) The City is a body politic of the State of Wisconsin with full power and authority to enter into this Agreement and that all statutory procedures and requirements have been followed, fulfilled and satisfied in connection with the approval of this Agreement and the authorization of all City obligations required by this Agreement;

(b) The individuals signing this Agreement on behalf of the City have full authority to do so and upon such execution by such individuals, this Agreement will constitute (and any instrument or agreement that the City is required to give under this Agreement when executed and delivered will constitute) legal, valid and binding obligations of the City enforceable against it in accordance with their respective terms; and

ARTICLE XII– DEFAULTS

12.1 Default. Any one or more of the following shall constitute a "**Default**" under this Agreement.

(a) Developer fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to Developer (including, without limitation, the untimely delivery of the Required Information, completion of the Developer Improvements or any default under the Offer or any other agreement related to the Project).

(b) Any representation or warranty made by Developer in this Agreement, any document related hereto or referenced herein or any financial statement delivered by Developer pursuant to this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

(c) Developer (or any permitted successor or assign of Developer) shall:

(i) become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature,

(ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets,

(iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan, or other arrangement with creditors,

(iv) have a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) calendar days or more, or such party, shall file an answer to such a petition or application, admitting the material allegations thereof,

(v) apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within sixty (60) calendar days after his appointment, or

(vi) adopt a plan of complete liquidation of its assets.

(d) The City fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to the City.

ARTICLE XIII – REMEDIES

13.1 Remedies. In the event of a Default, the non-defaulting party shall provide written notice to the defaulting party of the Default (the "**Default Notice**"); however, Developer shall not be entitled to a Default Notice or a right to cure in the event the Default occurs under Subsection 12.1(c) above.

(a) The Default Notice shall provide the defaulting party at least thirty (30) calendar days to cure a Default; however, the 30-day period shall be extended to the period of time reasonably necessary to cure the Default (in the event that such 30-day period is not sufficient time to reasonably cure such Default), if the defaulting party promptly commences activities to cure the Default in good faith and diligently pursues such activities to fully cure the Default, but, in no event, shall the period of time to cure the Default exceed ninety (90) calendar days from the date of the Default Notice, unless otherwise agreed to by the parties in writing.

(b) In the event the Default is not fully and timely cured by Developer, the City shall have all of the rights and remedies available in law or in equity, including, but not limited to, all or any of the following rights and remedies, and the exercise or implementation of any one or more of these rights and remedies shall not bar the exercise or implementation of any other rights or remedies of the City provided for under this Agreement:

(i) The City may refuse to issue any permits to Developer for the construction of Developer Improvements or any other improvements on the Property;

(ii) The City may recover from Developer all damages, costs and expenses, including, but not limited to, attorneys' fees incurred by the City related to or arising out of each Default and the drafting and negotiation of this Agreement;

(iii) The City may terminate or postpone its obligation to perform any one or more of its obligations under this Agreement, including, but not limited to, any payment obligations under the MRO; or

(iv) The City may terminate this Agreement.

(c) In the event the Default is not fully and timely cured by the City, subject to Section 18.11 below, Developer shall have all of the rights and remedies available in law or in equity, however, the City shall not be liable for any punitive or consequential damages, the MRO shall only be paid out of Available Tax Increment and Developer may not perform any acts required to be performed by the City under applicable law.

ARTICLE XIV – SUCCESSORS AND ASSIGNS

14.1 Successors and Assigns; Assignment. This Agreement shall be binding upon the successors and assigns of the parties hereto; however, this provision shall not constitute an authorization of Developer to assign or transfer its rights and obligations under this Agreement. Except as expressly provided for in Section 9.1 above, this Agreement shall not be assigned by Developer without the prior written consent of the City, which consent may be withheld for any reason.

ARTICLE XV – TERMINATION

15.1 Termination. This Agreement shall not terminate until the earlier of:

(a) termination by the City of the District pursuant to §66.1105(7) of the TI Act,

(b) the date the MRO is paid in full, or

(c) termination by the City pursuant to the terms of this Agreement;

however, Developer agrees that the termination of this Agreement shall not cause a termination of the rights and remedies of the City under this Agreement.

ARTICLE XVI – NOTICES

16.1 Notices. Any notice given under this Agreement shall be deemed effective when: (a) personally delivered in writing; or (b) a commercially recognized overnight delivery service provides confirmation of delivery; or (c) in the case of an e-mail notice (which shall be effective for all purposes hereunder), when sent to the e-mail address(es) provided below or any other address designated in writing by one party to the other party; provided that any party may request that an e-mail notice be followed by another form of notice under this Section 16.1 within three (3) calendar days after such request, and addressed as follows:

If to the City:	with a copy to:
City of Sheboygan	Brion T. Winters, Esq.

Attention: City Administrator
828 Center Avenue, Suite 300
Sheboygan, WI 53081
casey.bradley@sheboyganwi.gov

von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202
brion.winters@vonbriesen.com

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081
charles.adams@sheboyganwi.gov

If to Developer:

North Sixth Seventh, LLC
Attention: Luke Pelton
S1930 Glen Valley Drive
Reedsburg, WI 53959

ARTICLE XVII – APPLICABLE LAW

17.1 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Wisconsin. Any litigation related to this Agreement shall be brought in the state courts of the State of Wisconsin and the parties hereto agree to submit to the jurisdiction and venue of the Circuit Court for Sheboygan County, Wisconsin.

ARTICLE XVIII – MISCELLEANEOUS

18.1 Entire Agreement. This Agreement and all of the documents referenced herein or related hereto (and as any of the aforementioned documents have been or may be amended, extended or modified) embody the entire agreement between the parties relating to the transactions contemplated under this Agreement and all agreements, representations or understanding, whether oral or written, that are prior or contemporaneous to this Agreement are superseded by this Agreement.

18.2 Amendment. No amendment, modification or waiver of any provision of this Agreement, nor consent to any departure by a party from any provision of this Agreement shall in any event be effective unless it is in writing and signed by each of the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which it is given by the respective party.

18.3 No Vested Rights Granted. Except as provided by law, or as expressly provided in this Agreement, no vested rights in connection with the Project shall inure to Developer nor does the City warrant by this Agreement that Developer is entitled to any required approvals, permits or the like with regard to the Project.

18.4 Invalid Provisions. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

18.5 Headings. The article and section headings of this Agreement are inserted for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18.6 No Waiver; Remedies. No failure on the part of the City to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

18.7 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the named parties hereto and their permitted assignees, and nothing contained in this Agreement shall confer upon anyone other than such parties any right to insist upon or enforce the performance or observance of any of the obligations contained in this Agreement.

18.8 No Joint Venture. The City is not a partner, agent or joint venture of or with Developer.

18.9 Recording of a Memorandum of this Agreement Permitted. A memorandum of this Agreement may be recorded by the City on the Property and any or all of the Property in the office of the Register of Deeds for Sheboygan County, Wisconsin, and, upon request of the City, Developer shall execute and deliver to the City a memorandum of this Agreement for recording purposes.

18.10 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Agreement by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, strike, lockout, supply shortages, labor shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God, such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than three hundred sixty-five (365) calendar days unless agreed to in writing by the parties hereto. Notwithstanding any provision herein to the contrary, the City, in its sole and absolute discretion, may allow up to a six (6) month extension on the deadlines set forth in Section 1.1 and 3.2 above should reasonable delays occur as a result of environmental remediation issues, supply chain issues or material cost increases. Any such approved delay by the City will be evidenced in writing and provided to Developer, and without any written evidence approving such delay, the other provisions of this Agreement shall control and the immediately preceding sentence shall not apply.

18.11 Immunity. Nothing contained in this Agreement constitutes a waiver of any immunity available to the City under applicable law.

18.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, it being understood that all parties need not sign the same counterpart. This Agreement may also be executed by remote electronic means, via DocuSign, Eversign, or similar platform. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes. Upon request by a party, the parties hereto shall provide a wet-ink, original signed version of this Agreement to such party for its records.

18.13 Recitals. The RECITALS set forth above are true, accurate and incorporated herein by reference.

[The remainder of this page is intentionally left blank with a signature pages to follow.]

#41791932v11

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this _____ day of June, 2025, the above named Ryan Sorenson and Meredith DeBruin, the City Mayor and the City Clerk of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

_____
Notary Public, Wisconsin
My commission _____

DEVELOPER: NORTH SIXTH SEVENTH, LLC

By: _____
Name: Lucas J. Pelton, Manager

STATE OF WISCONSIN)
) I
Sauk COUNTY)

Personally came before me this 25 day of July, 2025, the above named Lucas J. Pelton, the Manager of North Sixth Seventh, LLC to me known to be the person who executed the foregoing instrument and acknowledged the same.

ALICE HECKENBACH NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public, Wisconsin
My commission 3-2-2029

EXHIBIT A

Property

Lots 1-15 inclusive, and all vacated alleys, in Block 1, Gottsacker and Burkart's Boulevard Subdivision of the City of Sheboygan, according to the recorded plat thereof.
And
All within Lot 18, Bates Addition to the City of Sheboygan, according to the recorded plat thereof: Commencing at the Northeast corner of Herr and Hammes Subdivision, thence due South 160', thence due East approximately 195' to the West line of North 6th Street, thence North 160', thence North 82.5', thence West approximately 388.8' to the East line of North 7th Street, thence South 82.5', thence East 190' to the point of beginning, all within Lot 18, Bates Addition to the City of Sheboygan.

Lots 10, 11, 12, 13, 14, 15 and 16, Herr and Hammes Subdivision of the City of Sheboygan, according to the recorded plat thereof and all of the vacated alley lying immediately East of and adjacent to Lots 10, 11, 12, 13, 14, 15 and 16, Herr and Hammes Subdivision, except the East 1/2 of the alley lying immediately West of Lot 1, Assessment Subdivision 14, to the City of Sheboygan.

The North 66.4' of the East 195' of the North 1/2 of Lot 17, Bates Addition to the City of Sheboygan, according to the recorded plat thereof.

Lots 1, 2, 3, 4, 5, 6, 7, 30, 31 and 32, except the South 15 feet of Lot 30 as conveyed in Quit Claim Deed recorded April 12, 2023 as Document No. 2149161, including the East 1/2 of the alley lying immediately West of Lot 1, all in Block 1, in Assessment Subdivision No. 14, according to the recorded plat thereof, in the City of Sheboygan.

All of the above said land is in the City of Sheboygan, County of Sheboygan, State of Wisconsin.

For informational purposes only:
Property Address: Land along North 7th Street, Sheboygan, WI 53083
Tax Key Number: 59281007701

EXHIBIT B

Special Warranty Deed

[SEE ATTACHED]

DOCUMENT NO.	**SPECIAL WARRANTY DEED**

This Special Warranty Deed is made between the City of Sheboygan, Wisconsin ("**Grantor**") and [_____] ("**Grantee**").

WITNESSETH:

Grantor, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, conveys to Grantee and its successors and assigns forever the following described real estate:

All of Grantor's right, title and interest in and to the real property described in Schedule A attached hereto and incorporated herein by reference, together with all hereditaments and appurtenances thereunto belonging or in any way appertaining.

This is not homestead property.

THIS SPACE RESERVED FOR RECORDING DATA

NAME AND RETURN ADDRESS

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite #1000
Milwaukee, WI 53202

_____
Parcel Identification Number

EXEMPT FROM REAL ESTATE TRANSFER TAX PER WIS. STATS. § 77.25 (2).

Grantor warrants that title is good, indefeasible in fee simple and free and clear of encumbrances, arising by, through or under Grantor, except municipal and zoning ordinances (and agreements entered into under them), recorded easements, recorded building and use restrictions, covenants and the restrictions set forth in a "Tax Incremental District Development Agreement" between Grantor and Grantee dated as of [_____], 2025, taxes and assessments levied in 202[__] which are not yet due and payable and subsequent years and those encumbrances set forth on Schedule B, attached hereto and incorporated herein by this reference.

As additional consideration for the conveyance evidenced by this Special Warranty Deed, Grantor and Grantee agree that, prior to the termination of Grantor's Tax Incremental District No. 25, all current and future owners or users of (including any other party with an interest – whether ownership, leasehold or otherwise – in) all or any portion of the real property conveyed by this Special Warranty Deed shall not be used in such a way as to exempt such real property from property taxation. The foregoing covenant shall run with the land until the termination of Grantor's Tax Incremental District No. 25.

Dated as of [_____], 202[_].

CITY OF SHEBOYGAN, WISCONSIN

EXHIBIT

By: _____
Name: _____
Title: City Mayor

EXHIBIT

Attest: _____
Name: _____
Title: City Clerk

STATE OF WISCONSIN)
) SS
COUNTY OF SHEBOYGAN)

Personally came before me this ___ day of _____, 202[__], _____ and _____, as City Mayor and City Clerk, respectively, of the City of Sheboygan, Wisconsin, and to me known to be the person who executed the foregoing instrument and acknowledged the same in such capacity.

_____
Name: _____
Notary Public, State of Wisconsin
My Commission: _____

This document was drafted by:
Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202

EXECUTION VERSION

Schedule A

Legal Description of Real Property

Lots 1-15 inclusive, and all vacated alleys, in Block 1, Gottsacker and Burkart's Boulevard Subdivision of the City of Sheboygan, according to the recorded plat thereof.
And
All within Lot 18, Bates Addition to the City of Sheboygan, according to the recorded plat thereof: Commencing at the Northeast corner of Herr and Hammes Subdivision, thence due South 160', thence due East approximately 195' to the West line of North 6th Street, thence North 160', thence North 82.5', thence West approximately 388.8' to the East line of North 7th Street, thence South 82.5', thence East 190' to the point of beginning, all within Lot 18, Bates Addition to the City of Sheboygan.

Lots 10, 11, 12, 13, 14, 15 and 16, Herr and Hammes Subdivision of the City of Sheboygan, according to the recorded plat thereof and all of the vacated alley lying immediately East of and adjacent to Lots 10, 11, 12, 13, 14, 15 and 16, Herr and Hammes Subdivision, except the East 1/2 of the alley lying immediately West of Lot 1, Assessment Subdivision 14, to the City of Sheboygan.

The North 66.4' of the East 195' of the North 1/2 of Lot 17, Bates Addition to the City of Sheboygan, according to the recorded plat thereof.

Lots 1, 2, 3, 4, 5, 6, 7, 30, 31 and 32, except the South 15 feet of Lot 30 as conveyed in Quit Claim Deed recorded April 12, 2023 as Document No. 2149161, including the East 1/2 of the alley lying immediately West of Lot 1, all in Block 1, in Assessment Subdivision No. 14, according to the recorded plat thereof, in the City of Sheboygan.

All of the above said land is in the City of Sheboygan, County of Sheboygan, State of Wisconsin.

For informational purposes only:
Property Address: Land along North 7th Street, Sheboygan, WI 53083
Tax Key Number: 59281007701

EXHIBIT B

Schedule B

Permitted Encumbrances

The following items are permitted encumbrances in addition to the items identified on the Special Warranty Deed. The number references are for tracking and convenience purposes only and identify the exceptions noted on Schedule B Section Two in the Title Insurance Commitment issued by [_____] Title Insurance Company as Commitment Number [_____].

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date, as set forth on the Commitment for Title Insurance, and the Date of Policy, as set forth on the Policy.

2. Special assessments, special taxes or special charges, if any, payable with the taxes levied or to be levied for the current and subsequent years.

3. Liens, hook-up charges or fees, deferred charges, reserve capacity assessments, impact fees, or other charges or fees and due payable on the development or improvement of the Land, whether assessed or charged before or after the Date of the Policy.

4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

5. Rights or claims of parties in possession not shown by the Public Records.

6. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate and complete land survey of the Land.

7. Easements or claims of easements not shown by the Public Records.

8. Any claim of adverse possession or prescriptive easement.

9. General Taxes for the year 2025 and subsequent years, not yet due or payable. In the event that the transaction to be insured under this Commitment occurs in December of 2025 or later, then please contact the Company for an update as to the status of taxes. Failure to do so will result in the following appearing as an exception on the final title insurance policy to be issued pursuant to this Commitment: "General Taxes for the year 2025 and subsequent years."

10. Easements, if any, of the public or any utility, municipality or person, as provided in Section 66.1005 of the Wisconsin Statutes, for the continued use and right of entrance, maintenance, construction and repair of underground or overground structures, improvements, or services in that portion of the Land which were formerly part of an alley and/or street and which are now vacated.

11. Condition and other matters contained in Warranty Deed recorded June 28, 1915 as Document No. 169953a.

12. Grant granted to Wisconsin Power & Light Company, a Wisconsin corporation and other matters contained in the instrument recorded May 9, 1927 as Document No. 244664.

13. Easement and other matters contained in the instrument recorded May 18, 1931 as Document No. 283019.

14. Ordinance and other matters contained in the instrument recorded October 12, 1932 as Document No. 297995.

15. Ordinance and other matters contained in the instrument recorded August 2, 1960 as Document No. 752347.

16. Driveway Restoration Agreement and other matters contained in the instrument recorded June 1, 1966 as Document No. 881704.

17. Driveway Restoration Agreement and other matters contained in the instrument recorded April 23, 1971 as Document No. 933885.

18. Driveway Restoration Agreement and other matters contained in the instrument recorded November 7, 1975 as Document No. 989255.

19. Underground Electric Easement and other matters contained in the instrument recorded February 13, 1980 as Document No. 1053055.

20. Driveway Restoration Agreement and other matters contained in the instrument recorded July 25, 1989 as Document No. 1188472.

21. Driveway Restoration Agreement and other matters contained in the instrument recorded December 4, 1992 as Document No. 1359088.

22. Utility Easement and other matters contained in the instrument recorded July 15, 2004 as Document No. 1739539.

23. Reservation of Easement and other matters contained in Quit Claim Deed recorded April 12, 2023 as Document No. 2149161.

EXHIBIT C

Permitted Encumbrances

[SEE ATTACHED]

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date, as set forth on the Commitment for Title Insurance, and the Date of Policy, as set forth on the Policy.

2. Special assessments, special taxes or special charges, if any, payable with the taxes levied or to be levied for the current and subsequent years.

3. Liens, hook-up charges or fees, deferred charges, reserve capacity assessments, impact fees, or other charges or fees and due payable on the development or improvement of the Land, whether assessed or charged before or after the Date of the Policy.

4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

5. Rights or claims of parties in possession not shown by the Public Records.

6. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate and complete land survey of the Land.

7. Easements or claims of easements not shown by the Public Records.

8. Any claim of adverse possession or prescriptive easement.

9. General Taxes for the year 2025 and subsequent years, not yet due or payable. In the event that the transaction to be insured under this Commitment occurs in December of 2025 or later, then please contact the Company for an update as to the status of taxes. Failure to do so will result in the following appearing as an exception on the final title insurance policy to be issued pursuant to this Commitment: "General Taxes for the year 2025 and subsequent years."

10. Easements, if any, of the public or any utility, municipality or person, as provided in Section 66.1005 of the Wisconsin Statutes, for the continued use and right of entrance, maintenance, construction and repair of underground or overground structures, improvements, or services in that portion of the Land which were formerly part of an alley and/or street and which are now vacated.

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22. Utility Easement and other matters contained in the instrument recorded July 15, 2004 as Document No. 1739539.

23. Reservation of Easement and other matters contained in Quit Claim Deed recorded April 12, 2023 as Document No. 2149161.

EXHIBIT D

Preliminary Site Plan

[SEE ATTACHED]

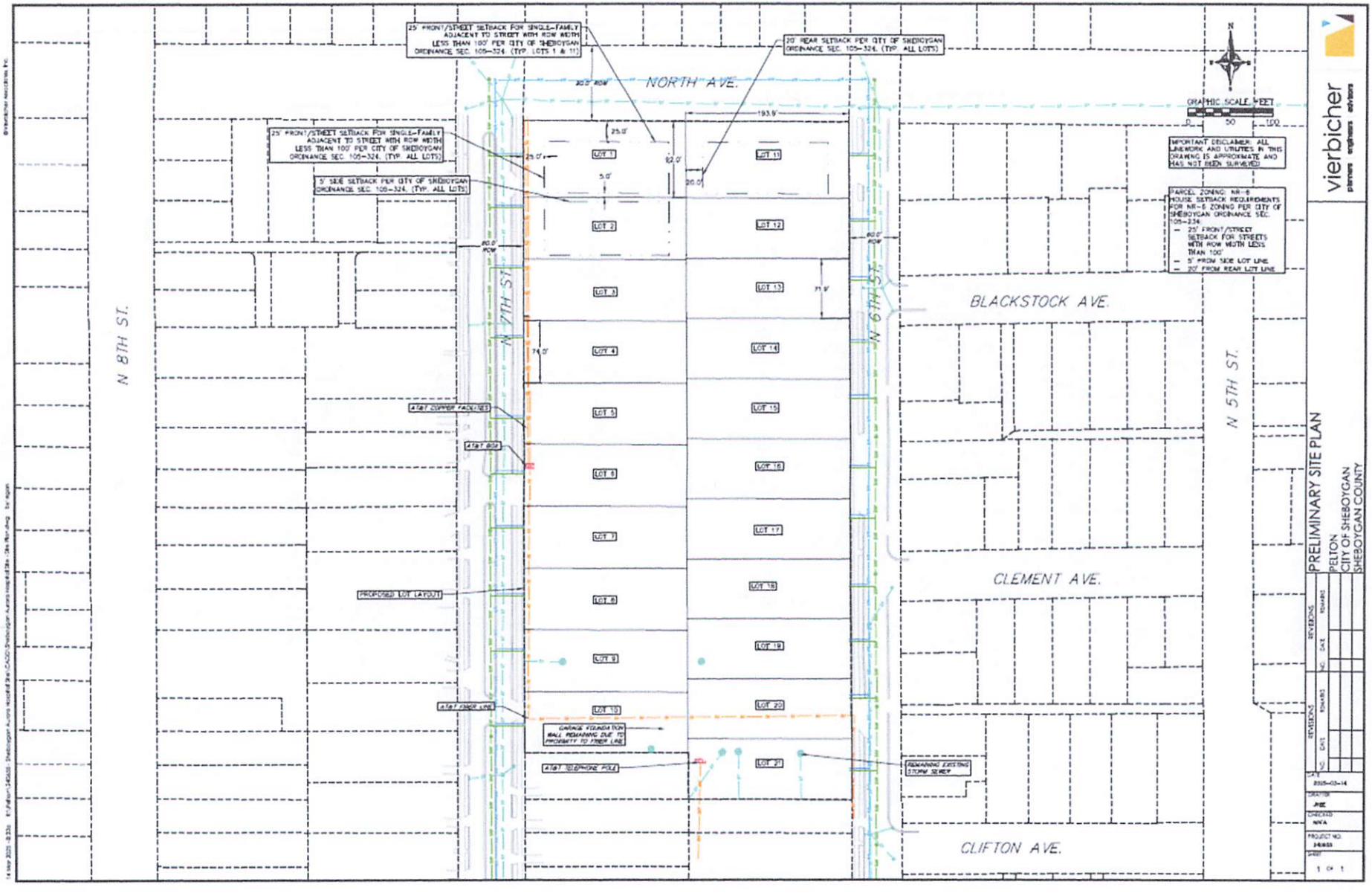

25' FRONT/STREET SETBACK FOR SINGLE-FAMILY ADJACENT TO STREET WITH ROW WIDTH LESS THAN 100' PER CITY OF SHEBOYGAN ORDINANCE SEC. 105-324. (TYP. LOTS 1 & 11)
20' REAR SETBACK PER CITY OF SHEBOYGAN ORDINANCE SEC. 105-324. (TYP. ALL LOTS)
NORTH AVE.
66.0' ROW
193.9'
25' FRONT/STREET SETBACK FOR SINGLE-FAMILY ADJACENT TO STREET WITH ROW WIDTH LESS THAN 100' PER CITY OF SHEBOYGAN ORDINANCE SEC. 105-324. (TYP. ALL LOTS)
5' SIDE SETBACK PER CITY OF SHEBOYGAN ORDINANCE SEC. 105-324. (TYP. ALL LOTS)
25.0'
92.0'
80.0'
5.0'
LOT 1
LOT 2
LOT 3
LOT 4
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 10
LOT 11
LOT 12
LOT 13
LOT 14
LOT 15
LOT 16
LOT 17
LOT 18
LOT 19
LOT 20
LOT 21
71.9'
74.0'
N 8TH ST.
N 7TH ST.
N 6TH ST.
N 5TH ST.
BLACKSTOCK AVE.
CLEMENT AVE.
CLIFTON AVE.
AT&T COPPER FACILITIES
AT&T BOX
PROPOSED LOT LAYOUT
AT&T FIBER LINE
GARAGE FOUNDATION WALL REMAINING DUE TO PROXIMITY TO FIBER LINE
AT&T TELEPHONE POLE
REMAINING EXISTING STORM SEWER
N
GRAPHIC SCALE - FEET
0
50
100
IMPORTANT DISCLAIMER: ALL LINEWORK AND UTILITIES IN THIS DRAWING IS APPROXIMATE AND HAS NOT BEEN SURVEYED
PARCEL ZONING: NR-6
HOUSE SETBACK REQUIREMENTS FOR NR-6 ZONING PER CITY OF SHEBOYGAN ORDINANCE SEC. 105-234:
- 25' FRONT/STREET SETBACK FOR STREETS WITH ROW WIDTH LESS THAN 100'
- 5' FROM SIDE LOT LINE
- 20' FROM REAR LOT LINE
vierbicher
planners engineers advisors
PRELIMINARY SITE PLAN
PELTON
CITY OF SHEBOYGAN
SHEBOYGAN COUNTY
REVISIONS
NO. DATE REMARKS
2025-03-14
JME
MKA
PROJECT NO.
SHEET
1 OF 1

EXHIBIT D

EXHIBIT E

City Improvements

Listed below is an estimated timeline for the City Improvements related to the Project. Not all work will be performed by the City, as noted below.

(1) June 2025 – Contracted construction starts. Contracted construction includes:

- Sanitary sewer laterals to development property;
- Water services to development property;
- Sanitary sewer replacement;
- Replace curb and gutter on the east side of North 7th Street and the west side of North 6th Street adjacent to the development property;
- New ADA-Compliant curb ramps;
- Concrete pavement repairs;
- Remove and replace the asphalt driving surface;
- Seeding/Restoration of the right-of-way between the repaired sidewalks and the road; and
- Driveway cuts for each lot as shown in the preliminary site plan attached as Exhibit D.

(2) July 2025 – Sheboygan Water Utility completes water main replacement (by others).

(3) August 2025 – Sheboygan Water Utility completes lead service replacements (by others).

(4) July 2025 – Wisconsin Public Services – gas, completes work (by others).

(5) July 2025 – Contracted sanitary sewer replacement, sewer laterals, and water services completed (estimated, subject to contractor's schedule).

(6) September 29, 2025 – Contracted construction substantial completion.

EXHIBIT F

MRO

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF SHEBOYGAN
CITY OF SHEBOYGAN

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION ("**MRO**")

Number	Date of Original Issuance	Amount
____	_____	Up to $1,600,000.00 (or $1,440,000 for the reasons contemplated in Section 7.1 of the Development Agreement)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "**City**"), promises to pay to North Sixth Seventh, LLC (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Revenues described below, without interest.

This MRO shall be payable in installments of principal due on October 31 (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1.

This MRO has been issued to finance projects within the City's Tax Incremental District No. 25, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the resolution adopted on _____, 20___, by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District Development Agreement dated as of June 16, 2025 by and between the City and Developer (the "**Development Agreement**"). All capitalized but undefined terms herein shall take on the meaning given to such terms in the Development Agreement.

This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Available Tax Increment generated by the Property and appropriated by the City's Common Council to the payment of this MRO (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the principal due on this MRO, the amount due but not paid shall be deferred. The deferred principal shall be payable on the next Payment Date until ***the earlier of***: (a) the date this MRO is paid in full, and (b) the Final Payment Date (as defined below). The City shall have no obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date. The owners of this MRO shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the City's Common Council to payment of this MRO. The "**Final Payment Date**" is October 31, 2052.

At the option of the City, this MRO is subject to prepayment in whole or in part at any time.

The City makes no representation or covenant (express or implied) that the Available Tax Increment or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder are subject to appropriation, by the City's Common Council, of Tax Increments or other amounts to make payments due on this MRO. In addition, as provided in Section 7.3 of the Development Agreement, the total amount of principal to be paid shall in no event exceed ***the lesser of***:

(a) One Million Six Hundred Thousand Dollars ($1,600,000.00, or $1,440,000 for the reasons contemplated in Section 7.1 of the Development Agreement), and

(b) The sum of all payments made by the City on this MRO during the life of the District but in no event after the Final Payment Date.

When such amount of Revenues has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect hereto. Further, as provided in Sections 7.1, 7.3 and 13.1 of the Development Agreement or otherwise, the City's obligations to make payments on this MRO may be suspended or terminated in the event Developer is in Default under any of the terms and conditions of the Development Agreement, provided payments may be resumed when any such Default is timely cured and any payments missed due to an uncured Default also shall be paid from Available Tax Increment upon timely cure of such Default.

THIS MRO IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS MRO IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THIS MRO. FURTHER, NO PROPERTY OR OTHER ASSET OF THE CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

Except as otherwise expressly provided for in the Development Agreement, this MRO may be transferred or assigned, in whole or in part, only upon prior written consent of the City which may be withheld, conditioned or delayed for any reason. Interests in this MRO may not be split, divided or apportioned, except as set forth herein. In order to transfer or assign the MRO, if permitted by the City, the transferee or assignee shall surrender the same to the City either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the City. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Sheboygan has caused this MRO to be signed on behalf of the City by its duly qualified and acting City Administrator and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF SHEBOYGAN

By: EXHIBIT
Name: _____, City Administrator

(SEAL)

Attest: EXHIBIT
Name: _____, City Clerk

Schedule 1

Payment Schedule

Subject to the City's actual receipt of Available Tax Increment and the terms and conditions of the Development Agreement (including, without limitation, the City's right to modify this payment schedule based upon market conditions and the actual and projected Available Tax Increment generated from the Project), the City shall make the following payments on the MRO to Developer:

Payment Date	Payment Amount
October 31, 2027	$_____
October 31, 2028	$_____
October 31, 2029	$_____
October 31, 2030	$_____
October 31, 2031	$_____
October 31, 2032	$_____
October 31, 2033	$_____
October 31, 2034	$_____
October 31, 2035	$_____
October 31, 2036	$_____
October 31, 2037	$_____
October 31, 2038	$_____
October 31, 2039	$_____
October 31, 2040	$_____
October 31, 2041	$_____
October 31, 2042	$_____
October 31, 2043	$_____
October 31, 2044	$_____
October 31, 2045	$_____
October 31, 2046	$_____
October 31, 2047	$_____
October 31, 2048	$_____
October 31, 2049	$_____
October 31, 2050	$_____
October 31, 2051	$_____
October 31, 2052	$_____
Total	Up to $1,600,000.00 (or $1,440,000.00)

REGISTRATION PROVISIONS

This MRO shall be registered in registration records kept by the Clerk of the City of Sheboygan, Sheboygan County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this MRO may thereafter be transferred only upon presentation of this MRO together with a written instrument of transfer in form and substance acceptable to the City and duly executed by the registered owner or his/her/its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of City Clerk

EXHIBIT G

Members of Developer

MEMBERS OF DEVELOPER (WITH OWNERSHIP PERCENTAGE):

(1) Lucas J. Pelton (45%)
(2) (Cody Pelton) (27%)
(3) (Mark and Shaun's Trust) (18%)
(4) (NBT) (10%)

CITY OF SHEBOYGAN
RESOLUTION 92-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the appropriate City officials to enter into an Agreement with BoldPath Consulting, LLC for an Uptown Social Staffing and Organizational Review.

WHEREAS, since moving to its new facility, Uptown Social has seen a significant increase in membership and program participants with minor changes to staffing levels; and

WHEREAS, a review of the organizational structure and positions has not been completed since prior to the new building opening; and

WHEREAS, completing this review will provide a thorough understanding of the needs of the department to continue its success and create a plan to sustain the department and its efforts long-term.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council hereby authorizes the Director of Senior Services to execute the agreement with BoldPath Consulting, LLC for an Uptown Social Staffing and Organizational Review.

BE IT FURTHER RESOLVED: That the Finance Director is authorized to make an amendment to the 2026 budget to cover the associated subscription and implementation expenses as follows:

INCREASE:

Senior Services Fund – Uptown Social – Contracted Services (Acct. No. 253530-531100)	$16,875

DECREASE:

Senior Services Fund – Uptown Social – Advertising & Marketing (Acct. No. 253530-531400)	$16,875

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____

Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____

Meredith DeBruin, City Clerk, City of Sheboygan

BoldPath Consulting, LLC

Proposal for Consulting Services

Uptown Social Staffing and Organizational Review

City of Sheboygan, Wisconsin | Department of Senior Services

Prepared for Emily Rendall-Araujo, Director of Senior Services | August 4, 2026

Understanding of the Engagement

Uptown Social has grown substantially in the number of people it serves since relocating to its current facility. The department's position descriptions were developed in 2022, before the facility opened, and were necessarily built on projection rather than on observed operations. They have not been validated against how the department functions today.

Staffing has grown incrementally over that period. The department has begun testing expanded operating hours in response to community interest, and the City is working toward a further expansion of the facility.

The City has asked BoldPath to determine what staffing level and structure the department requires given the services it now delivers, to consider the staffing implications of the department's intentions for expanded hours and expanded space, and to translate both into a sequence the City can implement in stages rather than all at once.

Objectives

- Establish an accurate picture of the department's current labor base and service levels, counting all labor sources rather than authorized full-time equivalents alone
- Determine the staffing required to deliver current services, addressing both facility coverage requirements and workload volume
- Assess the current role structure and recommend a structure appropriate to the department's scale, service model, and continuity needs
- Identify the staffing implications of the department's intentions for expanded operating hours and expanded facility space, recognizing that requirements tied to plans still in development can be framed and estimated but not fixed
- Confirm that the department's understanding of its future direction aligns with the City's
- Provide peer context from comparable municipally operated senior centers
- Deliver a phased recommendation the City can act on in stages, distinguishing what current services require from what expanded hours and expanded space would require

Scope of Work

1. Baseline and service profile

BoldPath will establish the department's actual current labor base, including authorized positions and full-time equivalents by title and funding source, part-time and limited-term hours, externally funded positions and their terms, volunteer contribution by function, and any instructor, contract, or facility labor supporting the department.

BoldPath will document current service levels, including operating hours, facility areas in active use, program calendar and volume, participation and attendance patterns, membership definitions and counts, food service, trip and travel programming, rentals and external facility use, and partner programming hosted on site.

2. Fieldwork

BoldPath will conduct structured interviews with department staff, the City Administrator, and other stakeholders as mutually agreed, following a uniform format so that responses can be compared across participants.

The interview with the City Administrator is included specifically to understand the City's vision for Uptown Social and to confirm that the department's view of its future direction and the City's view are aligned. Where a staffing recommendation depends on assumptions about future service levels, those assumptions need to be shared ones. Additional stakeholders may include human resources, finance, or governance representatives whose perspective bears on the department's operating or fiscal context.

Interviews will be consolidated into on-site blocks where scheduling permits, with remote interviews used where it is not practical to gather participants on the same day. This is a deliberate cost-control measure and does not reduce the depth of the conversations.

BoldPath will conduct on-site observation of the department in operation. The purpose is to see directly how the operation runs and how it is configured. Observation frequently reveals what position descriptions and interviews cannot, including how work actually moves through the facility, where staff and volunteers absorb demand informally, and how the physical configuration of the space shapes what any given position can realistically cover. The number and timing of observation periods will be set by mutual agreement.

3. Peer context

BoldPath will develop comparative information from municipally operated senior centers of similar facility scale and service orientation, drawn from Wisconsin and the broader upper Midwest. The comparison set will emphasize activity-oriented centers operated as municipal programs rather than centers whose staffing is driven by state or federal meal-site and social service requirements, since those models are not comparable.

Peer information is offered to inform the conversation rather than to produce a number. It provides a window into how comparable organizations structure and staff themselves, and gives the City a point of perspective when weighing the recommendation.

4. Analysis

BoldPath will examine the range of programs and services the department delivers and the staffing each requires. Some programming occurs within the building during posted hours and draws on general coverage. Other programming requires dedicated staff, occurs outside normal operating hours, or takes staff off site entirely. Each of those patterns creates coverage requirements or gaps the staffing model has to account for, and understanding that mix is necessary before any conclusion about staffing levels is reliable.

BoldPath will analyze minimum coverage requirements, meaning the staffing presence necessary to operate the facility properly during posted hours independent of attendance on any given day, accounting for building size and configuration, simultaneously active spaces, activity and fitness area supervision, front desk and point-of-sale coverage, food service, opening and closing procedures, and functions where a single absence closes a service.

BoldPath will analyze workload against documented service levels, including volunteer recruitment and coordination, internal and external communications, program development and instructor coordination, event and rental administration, setup and teardown, and departmental financial and reporting administration.

BoldPath will assess the current role structure, including whether responsibilities are assigned at appropriate levels, whether the Director carries operational duties that belong elsewhere, whether any single position has accumulated scope beyond what one role can reasonably sustain, and what continuity exposure exists given the concentration of operating knowledge within the department.

5. Recommendation, position descriptions, and phasing

BoldPath will present a recommended staffing model that distinguishes what current services require at current hours, what the expanded hours under consideration would require, and what the anticipated facility expansion would require.

The recommendation is phased by implementation sequence, not by successive rounds of reporting. It will identify the order in which positions should be added and the conditions that would reasonably trigger each step, such as a budget cycle, a reserve or revenue threshold, external funding, or a facility milestone. It will also address funding source separately from position structure, recognizing that a position may be supported by levy, earned revenue, reserves, or external funding without altering its status as a City position.

The recommendation will address role structure and relative leveling, and will identify which changes represent restructuring of existing scope and which require added capacity.

BoldPath will produce up to six updated position descriptions reflecting the recommended structure. Where a recommendation adds a second incumbent to an existing role rather than creating a new one, a single description covers both. The descriptions will be drafted in a form that supports a productive classification review by the City's compensation consultant.

Deliverables

- Written report, delivered in draft for City review and in final form incorporating one consolidated round of City comment, suitable for distribution to City leadership and, if the City chooses, to the Common Council
- Current-state labor baseline reconciling all labor sources
- Recommended staffing model addressing current services, expanded hours, and the anticipated facility expansion
- Role structure recommendation with relative leveling
- Up to six updated position descriptions reflecting the recommended structure
- Phased implementation sequence
- Identification of any operational or administrative practices observed during the engagement that warrant separate attention by the City
- One presentation to a body designated by the City, such as the Senior Services Commission or the Common Council, scheduled at that body's convenience. Additional presentations fall outside this scope and would be arranged separately.

City Responsibilities

- A designated point of contact with authority to coordinate direction, feedback, and approvals

- Access to departmental records relevant to this analysis
- Scheduling of staff interviews and site observation(s) as mutually agreed
- Timely response to information requests and to draft review, and identification of any material that should not appear in a publicly distributed report

Out of Scope

- Full classification and compensation study, external market wage data collection, and salary range development. BoldPath will recommend role structure and relative leveling and will draft position descriptions in a form that supports classification review, but placement of positions within the City's classification and pay structure remains a City decision made with the City's compensation consultant.
- Legal advice and legal representation. Questions requiring legal interpretation are referred to the City Attorney.

Assumptions

- The City provides records relevant to this analysis within agreed timeframes
- Department staff are available for interviews during the fieldwork period
- Recommendations tied to the anticipated facility expansion reflect the project as understood during the engagement and will require revisiting if that project changes materially
- Recommendations address staffing and structure. Decisions regarding funding, budget action, and implementation timing rest with the City

Tentative Timeline

Phase	Period	Output
Kickoff and records request	Late September 2026	Confirmed data set and schedule
Fieldwork and observation	October 2026	Interview and observation record
Peer context development	October to November 2026	Comparative summary
Analysis and model construction	November 2026	Staffing model
Draft report and City review	Early December 2026	Draft report and position descriptions
Final report and presentation	December 2026	Final report and presentation

The engagement begins upon execution of the agreement between the parties. BoldPath will conduct preliminary document review and information gathering as scheduling allows in advance of on-site work. On-site interviews and observation will be scheduled on or after September 21, 2026.

Final delivery on or before December 31, 2026. This schedule positions the recommendation to support the City's budget planning and any interim budget action during 2027.

Fee

BoldPath offers two structures for this engagement. Neither is preferable in the abstract, and the right choice depends on how the City prefers to manage cost and scope.

Fixed project fee: $16,750

The City knows its cost regardless of the hours required, and BoldPath carries the delivery risk. A fixed fee requires a refined scope and a specific set of deliverables, and the fee includes a reasonable contingency for the risk BoldPath assumes. Travel time is absorbed within the fee. This structure suits a City that values budget certainty and is comfortable holding the scope firm.

Invoiced in installments: twenty-five percent upon execution, twenty-five percent upon completion of fieldwork, twenty-five percent upon delivery of the draft report, and twenty-five percent upon delivery of the final report.

Time and materials: $225 per hour, estimated 65 to 85 hours

This structure allows the engagement to flex. Where BoldPath finds efficiencies in the work, the City pays less. Where the City's requirements expand during the engagement, the cost moves accordingly. This structure suits a City that expects the scope to develop as the analysis proceeds and prefers to pay for the work actually performed.

BoldPath will notify the City in writing before hours exceed the estimate above, and will not exceed it without written authorization. This protects the City from an open-ended commitment while preserving the flexibility the structure is intended to provide.

The estimate above reflects professional time. On-site work is anticipated to involve approximately three round trips of roughly ninety minutes each. Travel time is billed separately at fifty percent of the hourly rate, consistent with the Consulting Services Agreement. Invoiced monthly for hours worked.

Under either structure, mileage and pre-approved expenses are reimbursed at cost, and services requested outside the scope described above are performed only upon mutual written agreement.

Next Step

If this proposal is acceptable, BoldPath will prepare its standard Consulting Services Agreement, which has been reviewed in connection with prior engagements, and will append this proposal to that agreement as the scope of services. Please indicate which fee structure the City prefers.

If any element of the scope is more or less than the City needs, BoldPath will revise it before the agreement is prepared.

Patrick Glynn, Founder and Principal Consultant
BoldPath Consulting, LLC | (920) 522-2413 | patrick@boldpathconsulting.com | www.boldpathconsulting.com

CITY OF SHEBOYGAN
RESOLUTION 91-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of May 20, 2024 between the City of Sheboygan and Van Horn Properties of Sheboygan LLC, a Wisconsin limited liability company (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

WHEREAS, the City of Sheboygan, Wisconsin created Tax Incremental District No. 22 ("TID 22") for the purpose of promoting redevelopment; and

WHEREAS, Van Horn Properties of Sheboygan, LLC has agreed to construct and install certain improvements on the real estate (as described in greater detail in EXHIBIT A of the Development Agreement, the "Real Estate") in TID 22 (the "Project"); and

WHEREAS, in order to further its development efforts in TID 22, the City agrees to apply a portion of the tax increment revenues from TID 22 to reimburse Developer for a portion of the costs of the Project as a consideration for the other benefits provided to the City by Developer, in accordance with the terms of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to issue the City's MRO on such terms and conditions as set forth in the Development Agreement in consideration for the obligations undertaken by the Developer in constructing the Project and as otherwise set forth in the Development Agreement. The MRO shall be in the principal amount of $1,000,000 and shall not bear any interest.

The MRO shall be payable in installments of principal due on October 31 in each of the years and in the amounts of Available Tax Increment for such year as set forth in the Development Agreement.

The MRO shall be signed by the manual or electronic (e.g., DocuSign or other similar technology) signatures of the Mayor and Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the MRO, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or an electronic transmission thereof.

The MRO shall be in substantially the form set forth in the attached Development Agreement.

The MRO shall be payable only out of the "Special Redemption Fund" (the "Fund"), as hereinafter provided, and shall be a valid claim of the owner thereof only against the Fund and from the revenues pledged to such Fund, and shall be payable solely from "Available Tax Increment" (as defined in the Development Agreement) derived from the Real Estate which have been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to the payment of the MRO.

As stated above, the application of Available Tax Increment to payment of the MRO is subject to annual appropriation by the Common Council. However, and without in any way limiting the foregoing appropriation powers, the City fully expects and anticipates that to the extent Available Tax Increment is generated by the Real Estate it will appropriate, in each year, the Available Tax Increment to the payment of the principal of the MRO.

BE IT FURTHER RESOLVED: That for the purpose of the application and proper allocation of the Available Tax Increments, and to secure the payment of the principal of the MRO, the Fund is hereby created and shall be used solely for the purpose of paying principal of the MRO in accordance with the provisions of the MRO and this Resolution.

The City shall deposit in the Fund the Available Tax Increment received by the City attributable to the Real Estate. The monies on deposit in the Fund shall be used to pay principal on the MRO.

Uninvested money in the Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the City as public depositories under the laws of Wisconsin. Such deposits of Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the City.

Money in the Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the MRO. All income from such investments shall be deposited in the Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Fund.

All Available Tax Increment shall be deposited in the Fund, and no other fund is created by this Resolution.

On each Payment Date, the City shall apply Available Tax Increment that has been: (a) received by the City with respect to the Real Estate during that calendar year, and (b) appropriated by the City Council to the payment of the MRO.

If on any Payment Date there shall be insufficient Available Tax Increment appropriated to pay the principal due on the MRO, the amount due but not paid shall accumulate and be payable on the next Payment Date until the Final Payment Date. The City shall have no obligation to pay any amount of principal on the MRO which remains unpaid after the Final Payment Date.

As provided in Section 5.1 of the Development Agreement, the total amount of principal to be paid on the MRO shall not exceed $1,000,000.00. When that amount of Available Tax Increment has been appropriated and applied to payment of the MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect thereto.

BE IT FURTHER RESOLVED: That the City Clerk shall keep books for the registration and for the transfer of the MRO. The person or entity in whose name any MRO shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payments on the MRO shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such MRO to the extent of the sum or sums so paid.

The MRO may be transferred or assigned, in whole or in part, by the registered owner thereof only with the consent of the City and with the satisfaction of all other assignment requirements set forth in the MRO and the Development Agreement, by surrender of the MRO at the office of the Clerk of the City accompanied by an assignment duly executed by the registered owner or such registered owner's attorney-in-fact duly authorized in writing. Upon such transfer or assignment, the Clerk of the City shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the MRO and re-issue the MRO (or a new MRO of like aggregate principal amount and maturity).

BE IT FURTHER RESOLVED: That the Mayor, the City Clerk, the City Administrator and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the MRO.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the MRO), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

BE IT FURTHER RESOLVED: That if any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

EFFECTIVE DATE: This Resolution shall be effective immediately upon its passage and approval.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

EXHIBIT A

DEVELOPMENT AGREEMENT

[SEE ATTACHED]

TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into as of May 20, 2024 (the "**Effective Date**") by and among the CITY OF SHEBOYGAN (the "**City**"), a Wisconsin municipal corporation, and VAN HORN PROPERTIES OF SHEBOYGAN LLC, a Wisconsin limited liability company ("**Developer**").

RECITALS

A. The City intends to create Tax Incremental District No. 22 ("**District**") as a mixed-use tax increment district under the City's proposed project plan (the "**Project Plan**") in order to finance various project costs within the District subject to approvals by the City's Common Council and the Joint Review Board for the District pursuant to Wis. Stat. § 66.1105 (the "**TI Act**").

B. Developer owns the real property located in the District described in greater detail in Exhibit A attached hereto and incorporated herein by reference (collectively, the "**Property**").

C. Developer, pursuant to the terms and conditions of this Agreement, is obligated to, among other things, construct and operate an automobile dealership on the Property (the "**Project**").

D. Developer acknowledges that but for the MRO (as defined below) provided by the City in this Agreement, Developer would not move forward with the Project.

E. The City believes it is appropriate to use tax increments from the District to provide for, among other things, the MRO for the benefit of the District to facilitate development and redevelopment within the District.

F. The City further believes that the Project, as described in this Agreement, is in the best interests of the City and its residents and is reasonably consistent with the public purposes and the development expectations of the City, including, but not limited to, expanding housing, tax base and employment opportunities within the City.

NOW, THEREFORE, the City and Developer, in consideration of the terms and conditions contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, each agrees as follows:

AGREEMENT

ARTICLE I – REQUIRED INFORMATION; DISTRICT CREATION; TERMINATION

1.1 Required Information. The City shall have no obligations under this Agreement, and shall have the right to terminate this Agreement in accordance with the provisions of Section 1.3 below, if the Required Information (as defined below) has not been timely provided by the Developer to the City in form and substance reasonably acceptable to the City. On or before May 1, 2024, Developer shall provide to the City the following required information related to the

Project (collectively, the "**Required Information**") and such other documentation as the City may request, both in form and in substance acceptable to the City:

(a) An owner's policy of title insurance issued by a title insurance company licensed to do business in Wisconsin identifying Developer as the insured owner of the Property and containing copies of all easements, restrictions, encumbrances, leases or other documents of record affecting the Property (collectively, "**Property Exceptions**"). None of the Property Exceptions shall interfere with the proposed development of the Project.

(b) A schedule for the construction of Developer Improvements (as defined below) and identifying the following for the Project:

(i) Intended commencement and completion date,

(ii) Reasonably estimated costs associated with the construction, and

(iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Property.

(c) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for the Project, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Developer and Developer's general contractor.

(d) Documentation confirming that Developer has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals relating to the Project. Developer shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for the Project).

(e) A copy of the final construction plans and complete specifications for the intended construction related to the Project that are consistent with the provisions of this Agreement (the "**Final Plans**"). The Final Plans must be certified as final and complete and be signed by Developer, the consulting engineer, architect and the general contractor (as applicable) and approved by the City in writing.

(f) All documents authorizing the construction and financing of the Project and directing the appropriate officer of Developer to execute and deliver this Agreement and all other agreements, documents and contracts required to be executed by it in connection with the transactions which are the subject of this Agreement (including, without limitation, authorizing resolutions of Developer).

1.2 Creation of the District. Subsequent to the Effective Date, the City shall make good faith efforts to create the District by initiating and reasonably pursuing the statutory process for the creation of a tax incremental district pursuant to the TI Act.

1.3 Termination Rights. If the City does not receive the approval of the District and the Project Plan by the City Council and the Joint Review Board, as required by Sections 66.1105(4) and 66.1105(4m) of the TI Act, the City or the Developer shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO). If Developer fails to fully and timely provide the Required Information, as determined in the sole discretion of the City, the Developer shall be in Default under this Agreement. If Developer does not provide such Required Information within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO).

ARTICLE II – COMMENCEMENT NOTICE AND DEVELOPER IMPROVEMENTS

2.1 Commencement Notice. Developer shall provide a written notice to the City of Developer's intention to commence the Project on or before May 1, 2024 (the "**Commencement Notice**"). To be effective, the Commencement Notice shall be accompanied by, or Developer shall have previously delivered to the City, all of the Required Information. If Developer does not timely provide the Commencement Notice and all of the Required Information to the City, Developer will be deemed to not be ready to develop the Project and be in Default under this Agreement. If Developer does not cure all outstanding Default(s) within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have no obligation to perform any obligation of the City under this Agreement (including, without limitation, issuing the MRO) and the City may terminate this Agreement.

2.2 Developer Improvements. Developer shall undertake, at Developer's own expense, the following improvements, obligations and work on the Property consistent with the Final Plans and all applicable laws, regulations and ordinances (collectively, the "**Developer Improvements**"):

(a) Developer shall construct and timely complete the Project. Developer shall commence construction of the Project (installing footings for all of the buildings depicted in the site plan attached as Exhibit B) on or before August 1, 2024. Upon such commencement, Developer shall proceed to the fully-satisfy and complete all of the improvements, obligations and work set forth in this Section 2.2 with due diligence and without unreasonable delay or interruption (with the exception of force majeure events, if any, as defined in Section 16.10 below). On or before June 30, 2025 (the "**Completion Date**"), the Project shall be completed and available for occupancy.

(b) Developer shall promptly pay for all applicable City impact fees and charges related to the Project.

(c) Developer shall be responsible for all landscaping on the Property, including, without limitation, trees, shrubs, seeding or sod related to the Project.

(d) Developer shall install, or have installed, all electric, gas, fiber-optic, telephone and cable services and all improvements for the use and operation of the Project.

(e) Developer shall install, or have installed, all sanitary sewer and water laterals on the Property, as well as connections of such laterals to new or existing sewer and water mains.

(f) Developer shall install, or have installed, all storm water drainage systems and facilities on the Property, including drain tiles, pipes, detention ponds and retention ponds, consistent with all applicable laws, regulations and specifications for such systems and facilities.

(g) Developer shall be responsible for all erosion control measures related to Project and the construction of all improvements on the Property.

(h) Developer shall be responsible for all costs related to the work to be performed by Developer under this Agreement, including, but not limited to, all applicable engineering, inspections, materials, labor, permit, impact, license and any and all other fees.

The obligations on Developer under this Agreement shall be deemed covenants running with the land and shall be applicable to Developer's successors and assigns and all other persons or entities acquiring any interest in the Property during the term of the District.

2.3 Progress and Quality of Work. Upon commencement of the Developer Improvements, Developer shall proceed to the full completion of the Developer Improvements with due diligence and without delay or interruption with the exception of force majeure events, if any, as defined in Section 16.10 below. Subject to the foregoing, completion of the Project (as evidenced by the issuance of an occupancy permit for the Project on the Property) shall occur on or before the Completion Date. All work to be performed by or on behalf of Developer related to the Project shall be performed in a good and workmanlike manner, consistent with the prevailing industry standards for such work in the area of the City.

2.4 Compliance Obligations. All of the Developer Improvements shall be completed in accordance with all applicable laws, regulations, ordinances and building and zoning codes and Developer shall, at Developer's cost, obtain and maintain all necessary permits and licenses for the Developer Improvements.

2.5 Indemnification and Insurance Required of Private Contractors. Developer hereby expressly agrees to indemnify and hold the City harmless from and against all claims, costs and liability related to any damage to the Property or injury or death to persons caused by Developer's performance of the Developer Improvements or any other work required of Developer under this Agreement, unless the cause is due to the willful misconduct by the City.

2.6 Compliance with Law. Developer shall comply with all applicable laws, ordinances, and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, Developer shall be subject to any applicable laws, ordinances and regulations that become effective after approval.

2.7 Payment of Taxes. Developer shall timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due.

2.8 Time is of the Essence. Time is of the essence with reference to Developer's obligation to commence and complete the Developer Improvements. Developer acknowledges that the timely performance of its respective work under this Agreement is critical to the collection of the tax increment upon which the parties are relying for the performance of their respective obligations under this Agreement.

2.9 Reconstruction. Until the District is closed, in the event of any casualty, loss or damage to the improvements on the Property, Developer shall proceed with the repair and replacement of such improvements on the Property affected by such a loss or damage and restore such improvements to at least the condition and quality that such improvements were in, and with an equalized value at least equal to the equalized value, immediately prior to the casualty, loss or damage (each an "**Uncured Casualty Loss**"). Subject to force majeure delays, in no event shall Developer take longer than one hundred eighty (180) calendar days after the date of a loss or damage to restore the affected improvements. If Developer fails to timely comply with all of the requirements in this Section 2.9, Developer shall be in Default under this Agreement and the City shall be entitled to the remedies set forth in this Agreement and available in equity or applicable law.

ARTICLE III– DEVELOPER GUARANTY AND OBLIGATIONS

3.1 Guarantied Value. The parties anticipate that, upon completion, the currently contemplated land and improvements related to the Project will have an equalized value for purposes of real property assessment ("**Equalized Value**") of not less than Five Million Dollars ($5,000,000.00; the "**Guarantied Value**") by December 31, 2025. As a condition to entering into this Agreement, the City requires that Developer guaranty a minimum Equalized Value for the land and improvements related to the Project. By executing this Agreement, Developer hereby guaranties that, on and after December 31, 2025 (the "**Guarantied Value Date**"), the Equalized Value of the land and improvements on the Property shall at all times during the life of the District be at least the Guarantied Value. If the Equalized Value of the Property is less than the Guarantied Value any time on or after the Guarantied Value Date, the Developer shall be in Default under this Agreement.

3.2 Failure to Construct. If Developer provides a Commencement Notice as required by Section 2.1 but does not timely complete construction of the Project as herein provided, then Developer shall pay to the City all sums incurred by the City with regard to the preparation and drafting of this Agreement and all other sums not recoverable from Tax Increments (as defined below). All repayments shall be completed within thirty (30) calendar days after Developer's non-performance or Default under this Agreement.

3.3 Guaranty Obligations. If on or any time after the Guarantied Value Date, whether as a result of an Uncured Casualty Loss or otherwise, the Equalized Value of the Property is less than the Guarantied Value (each a "**Shortfall Event**"), then Developer shall owe the City an amount equal to the difference between (a) the Tax Increment the City otherwise would have received on the Property if the Property's Equalized Value equaled the Guarantied

Value, and (b) the Tax Increment received by the City in the year a Shortfall Event occurs (such difference between (a) and (b) being referred to herein as the "**Tax Increment Shortfall**"). If a Tax Increment Shortfall is owed to the City, then unless and until the Equalized Value of the Property increases to at least the Guarantied Value, for each January 1 following a Shortfall Event, that the Equalized Value of the Property is less than the Guarantied Value, Developer shall pay to the City an amount equal to the Tax Increment Shortfall for such calendar year. If and when the Equalized Value of the Property as of any January 1 is equal to or greater than the Guarantied Value: (i) the Default related to non-compliance with the Guarantied Value requirement shall be deemed cured, (ii) no further January 1 assessment valuations shall occur or be required, and (iii) no Tax Increment Shortfall payment obligation shall be incurred for such year or any year thereafter, unless a new Shortfall Event occurs. If a Tax Increment Shortfall continues through the closing of the District, no further Equalized Value assessment calculations shall occur and no further Tax Increment Shortfall payment obligations of Developer shall arise after the District is closed. Developer agrees that it shall not, and hereby waives any right to, during the life of the District, challenge the assessed value of the Property.

3.4 Payment of Tax Increment Shortfall. Any Tax Increment Shortfall payment due to the City shall be deducted from any MRO payment (otherwise due Developer but for the Default) from the City during the year in which the Tax Increment Shortfall payment obligation arises. If the Tax Increment Shortfall payment exceeds the amount of such MRO payment, Developer shall pay to the City an amount equal to the difference between such MRO payment and the Tax Increment Shortfall. If there is no MRO payment due Developer for such year, Developer shall pay to the City the full amount of the Tax Increment Shortfall for such year. Any Tax Increment Shortfall payment due to the City from Developer pursuant to this ARTICLE III shall be made within ten (10) days of written request for payment by the City.

ARTICLE IV – ACCESS, INSPECTIONS AND CONTRACTORS

4.1 Access and Inspections. Developer hereby grants to the City, its agents, employees, officials, representatives, contractors and consultants the right to enter upon the Property at all reasonable times (upon reasonable advance notice to Developer) for the City to inspect the Property and the Project.

4.2 Inspections for City's Benefit Only. Each inspection conducted by the City or the City's agents shall be deemed to have been for the City's own benefit and shall in no way be construed to be for the benefit of or on behalf of Developer. Developer shall not (and hereby each waives any right to) rely in any way upon such inspections, appraisals or determinations of the City.

4.3 Contractors and Consulting Engineers. At any time, the City shall have the right to retain consulting engineers and architects to perform services for the City (which shall be at the City's expense, unless the City must perform inspections as a result of Developer's failure to meet the Final Plans then such expenses will be at Developer's expense) including, without limitation:

(a) to make periodic inspections with reasonable advance notice to Developer for the purpose of assuring that construction is in accordance with the Final Plans and the requirements of this Agreement;

(b) to advise the City of the anticipated cost of, and a time for, the completion of construction work; and

(c) to review and advise the City of any proposed changes in the construction of the Project.

The City's selection of, and reliance upon, the consulting engineers and architects shall not give rise to any liability on the part of the City for the acts or omissions of the consulting engineers or architects or their employees or agents.

Contractors selected for the Project shall be qualified in the City to perform the work, shall be licensed to do business in the State of Wisconsin, shall have experience in providing the type of work and materials required of Developer Improvements, and shall have a good reputation for diligent performance of their obligations under their respective contracts.

ARTICLE V – MUNICIPAL REVENUE OBLIGATION

5.1 Municipal Revenue Obligation. Pursuant to the terms of this Agreement, the City agrees to issue to Developer, within ninety (90) calendar days after the City's receipt of the Commencement Notice, a non-interest bearing municipal revenue obligation (the "**MRO**"). The amount paid under the MRO shall equal ***the lesser of***: (a) the sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date (as defined below), and (b) One Million Dollars ($1,000,000.00).

Except as otherwise provided herein, payments on the MRO will equal the Available Tax Increment in each year appropriated by the City's Common Council until and including ***the earlier of*** the date this Agreement is terminated, the date the District is terminated, the Final Payment Date and the date the MRO is paid in full. "**Available Tax Increment**" means an amount equal to seventy-five percent (75%) of the difference between the Tax Increment actually received by the City and appropriated by the City's Common Council in each year **less** the following (collectively, the "**Priority Project Costs**"): (i) all debt service payments incurred or to be incurred by the City in a given year for work performed or to be performed with regard to the Project or the Property; (ii) the amount of the City's administrative expenses, including, but not limited to, reasonable charges for the time spent by City employees in connection with the negotiation and implementation of this Agreement, (iii) professional service costs, including, but not limited to, those costs incurred by the City for outside architectural, planning, engineering, inspections, financial consulting and legal advice (including, without limitation, attorneys' costs and fees) and services related to the negotiation and implementation of this Agreement, and (iv) other eligible project costs previously incurred by the City in preparation for this Project or to be incurred by the City under the Project Plan, including, without limitation, site preparation and costs and expenses related to the Property or the Project provided such eligible project costs are not financed by the debt service referenced in (i) above. Any Priority Project Cost not paid due to insufficient Tax Increment shall be carried forward and paid from Tax Increment in the next year, or if necessary, following years until fully paid. "**Tax Increment**" shall have the meaning given under Wis. Stat. § 66.1105(2)(i) but shall be limited to the Tax Increment attributable to the Project, the land and improvements on the Property.

Provided that Developer is not in Default under this Agreement, the City shall, subject to annual appropriation of such payment by the City's Common Council, pay the Available Tax Increment, if any, to the holder of the MRO in one annual payment, on or before October 31st of each year commencing on October 31, 2026, and continuing to (and including) the earlier of the date the MRO is paid in full or October 31, 2044 (each, a "**Payment Date**"). Notwithstanding the previous sentence, in the event that Developer is in Default on a Payment Date, payment by the City may be suspended until all outstanding Defaults are cured.

To the extent that on any Payment Date the City is unable to make all or part of a payment of principal due on the MRO from such Available Tax Increment due to an absence of adequate Available Tax Increment, non-appropriation by the City's Common Council or otherwise, such failure shall not constitute a default by the City under the MRO. The amount of any such deficiency shall be deferred without interest. The deferred principal shall be due on the next Payment Date on which the City has the ability to payout Available Tax Increment. The term of the MRO and the City's obligation to make payments hereunder shall not extend beyond the earlier of October 31, 2044 (the "**Final Payment Date**") or the date the MRO is paid in full. If the MRO has not been paid in full by the Final Payment Date, then the City shall have no obligation to make further payments on the MRO. Upon the earlier of the date the MRO is paid in full and the Final Payment Date, the MRO shall terminate and the City's obligation to make any payments under the MRO shall be fully discharged, and the City shall have no obligation and incur no liability to make any payments hereunder or under the MRO, after such date.

The MRO shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment which has been appropriated for that purpose, and then only to the extent and in the manner herein specified. The MRO is a special, limited revenue obligation of the City and shall not constitute a general obligation of the City. The City will use good faith efforts to annually appropriate the Available Tax Increment for the MRO, until the earlier of the Final Payment Date, the termination of this Agreement or the MRO, or the payment in full of the MRO as provided herein. If Available Tax Increment is received by the City earlier than the first Payment Date, the applicable portion of such increment shall be retained by the City and applied to the first payment subject to appropriation by the City Common Council. Developer shall not have the right to assign the MRO except as set forth therein. Interests in the MRO may not be split, divided or apportioned.

5.2 MRO Form. The MRO shall be substantially in the form attached to this Agreement as Exhibit C (which is incorporated herein by reference) and shall be payable in accordance with the terms and conditions set forth in this Agreement and such MRO. In the event of a conflict between the terms of this Agreement and the terms of the MRO, the terms in this Agreement shall prevail. The principal payments shall be payable solely from the Available Tax Increment appropriated by the City. On or about each Payment Date under the MRO, the City shall provide to Developer an accounting identifying the Available Tax Increment, the amount of the payment being made on such Payment Date, and, if applicable, the remaining principal balance due on the MRO after the application of such payment.

5.3 Issuance of MRO and Payment Limitation. Provided that Developer is not in Default under this Agreement beyond the applicable cure period (if any), the City will deliver the

MRO to Developer within ninety (90) calendar days after the City's receipt of the Commencement Notice. Notwithstanding the previous sentence, in the event that Developer is in Default prior to the City's issuance of the MRO, the City shall not be required to deliver the MRO to Developer until a reasonable time after, but in no event less than thirty (30) calendar days after, all such Defaults are cured, provided each Default is cured within the applicable cure period for such Default. If the City does not timely provide the MRO to Developer, the Developer shall make a written request to the City to deliver the executed MRO within thirty (30) calendar days after the date of such written request by the Developer. The total amount of principal to be paid under the MRO shall in no event exceed ***the lesser of***: (a) the sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date, and (b) One Million Dollars ($1,000,000.00). The City's obligation to make payments on the MRO is conditioned on the requirement that Developer is not in Default under this Agreement. For the avoidance of any doubt, upon the occurrence of a Default, the City may suspend all payments until the Default is cured and, upon the expiration of all applicable cure periods for such Default, the City may exercise any and all available remedies.

5.4 Payment of Priority Project Costs and Repayment Schedule. From the Tax Increment received by the City each year, the City shall first pay the outstanding Priority Project Costs. The estimated repayment schedule of the MRO shall be set forth in Schedule 1 to the MRO. The City reserves the right to modify the MRO repayment schedule based upon market conditions, applicable Priority Project Costs and the actual and projected Available Tax Increment generated from the Project. The Available Tax Increment held by the City each year shall be applied to the payment of principal due on the MRO in accordance with the payment schedules set forth in such MRO until a maximum payout has been made (which equals the Available Tax Increment for a given year), subject to appropriation by the City Common Council.

ARTICLE VI – ZONING, LAND USE AND RESTRICTIVE COVENANT

6.1 Zoning Compliance. The Project shall be in compliance with the applicable zoning ordinance and land use guidelines applicable to the Property and shall be subject to the payment of any applicable impact fees in the amounts applicable at the time each required permit is issued, unless otherwise provided herein. Nothing in this Agreement shall obligate the City to grant variances, re-zoning, exceptions or conditional use permits related to the Project.

6.2 Tax Status/Restrictive Covenant. Without the prior written consent of the City (which may be withheld for any reason), Developer shall not use or permit the use of the Property in any manner which would render the Property exempt from property taxation during the life of the District. Further, Developer will not challenge or contest any assessment on the Property by the City, including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding with regard to an assessed value of the Property that is at or below the Guarantied Value. Prior to the conveyance of all or any portion of the Property, Developer agrees to record on the Property with the Sheboygan County Register of Deeds a deed restriction or restrictive covenant evidencing the restrictions on the Property set forth in this Section 6.2. The foregoing deed restrictions or restrictive covenants shall permit, but shall not obligate, the City to enforce such deed restrictions or restrictive covenants and shall be in form and in substance acceptable to the City. The deed restrictions or restrictive covenants shall continue to be applicable until the termination of the

District. However, Developer shall not have a continuing obligation for compliance with this provision as to any portion of the Property in which Developer no longer maintains any interest (whether as owner, tenant, occupant or otherwise) provided that Developer has timely recorded the deed restriction or restrictive covenant as approved by the City.

6.3 Land Dedications, Transfers and Easements for the Project. Developer agrees to make such land dedications and to grant such temporary or permanent easements as are required by the City for the construction and maintenance of the Project. All documentation for such dedications or easements shall be in form and substance acceptable to the City and Developer. Developer agrees to cooperate with the City if the City desires to prepare certified survey maps or other documentation as deemed appropriate by the City to facilitate the implementation and documentation of such dedications and easements and to adjust the lot lines of the Property in a manner reasonably acceptable to the City and Developer.

ARTICLE VII – ASSIGNMENTS AND CHANGES OF CONTROL

7.1 Assignments and Change of Control. This Agreement and the MRO shall not be assignable by Developer without the prior written consent of the City (which may be withheld by the City for any reason). The ownership or control of Developer shall not be transferred to any person or entity without the prior written consent of the City (which may be withheld by the City for any reason). The prohibition on the transfer of ownership or control shall not be applicable in the event of the death of a member and the interest being transferred is the deceased member's interest. The term "ownership or control" shall mean twenty percent (20%) or more of the Ownership Interests in Developer. For the purposes of this Agreement, "**Ownership Interests**" shall mean the members' rights to share in distributions and other economic benefits of Developer, the members' rights to participate in decision making, or both. The current members of Developer are identified on Exhibit D attached hereto and incorporated herein by reference.

In the event this Agreement is assigned by Developer, such assignee shall execute all documents required by the City to confirm that such assignee is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement. Further, in the event this Agreement is assigned by Developer, Developer agrees to remain jointly and severally liable for all obligations of the Developer (whether to be completed by itself or its assign) under this Agreement.

Notwithstanding any provision herein to the contrary, this Agreement and the MRO may be collaterally assigned to a mortgage lender financing the development and completion of the Project.

ARTICLE VIII – DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Developer Representations, Warranties and Covenants. Developer represents, warrants and covenants that:

(a) Developer is a limited liability company duly formed and validly existing in the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in

the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition;

(b) Developer has full authority to execute and perform this Agreement and has obtained all necessary authorizations (whether by official board resolution or action, unanimous written consent in lieu of a meeting or otherwise) to enter into, execute, perform and deliver this Agreement;

(c) the execution, delivery, and performance of Developer's respective obligations pursuant to this Agreement will not violate or conflict with (i) Developer's articles of organization, operating agreement or any indenture, instrument or agreement by which it is bound, (ii) any other agreement to which Developer is a party, or (iii) any law applicable to Developer or the Project;

(d) this Agreement constitutes (and any instrument or agreement that Developer is required to give under this Agreement when delivered will constitute) legal, valid, and binding obligations of Developer enforceable against Developer in accordance with their respective terms;

(e) Developer will complete the development and construction of Developer Improvements and the Project in a good and workmanlike manner and in accordance with all acceptable statutes, ordinances and regulations, any restrictions of record and the Final Plans provided to the City regarding the Project;

(f) Developer will not make or consent to any material modifications to the Final Plans without the prior written consent of the City;

(g) Developer will discharge all claims for labor performed and materials, equipment, and services furnished in connection with the construction of Developer Improvements and the Project; nothing contained in this Agreement shall require Developer to pay any claims for labor, services or materials which it, in good faith, disputes and is currently and diligently contesting, provided, however, that Developer shall, within ten (10) calendar days after the filing (or the assertion) of any claim of lien that is disputed or contested by Developer, obtain and record (if required by the City) a surety bond sufficient to release said claim or lien or provide the City with other such assurances that the City may require;

(h) Developer will take all steps to forestall claims of lien against the Property (any part thereof or right or interest appurtenant thereto) or any personal property and fixtures located or used in connection with the Property;

(i) Developer will maintain, at all times during construction, a policy of builder's risk completed value and contractor's multiple perils and public liability, extended coverage, vandalism and malicious mischief hazard insurance covering the Property in at least the amount of the full replacement, completed value of the improvements on the Property;

(j) Developer will timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due, as well as claims for labor and materials which, if unpaid, might become a lien or charge upon the Property;

(k) Developer will promptly furnish to the City, during the term of this Agreement, written notice of any litigation affecting Developer and any claims or disputes which involve a material risk of litigation against Developer;

(l) Developer shall deliver to the City revised statements of estimated costs of the construction for Developer Improvements showing changes in or variations from the original cost statement provided to the City as soon as such changes are known to Developer;

(m) Developer shall provide to the City, promptly upon the City's request, any information or evidence deemed necessary by the City related to performance of Developer under this Agreement to enable the City to timely and accurately complete any accounting or reporting requirements applicable to the City related to the transactions under this Agreement;

(n) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Developer is pending or threatened, and no other event has occurred which may materially adversely affect Developer's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the City in writing;

(o) there are no delinquent outstanding personal property taxes, real estate taxes, or special assessments affecting the Property; and

(p) subject to the terms of this Agreement, it shall not at any time challenge or contest any assessment on the Property by the City including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding.

8.2 Execution Representations and Warranties. The person(s) signing this Agreement on behalf of Developer represent(s) and warrant(s) that he/she/they have full power and authority to execute this Agreement on behalf of Developer and to bind Developer to the terms and conditions of this Agreement.

8.3 Cooperation. Developer warrants that it shall exercise all reasonable diligence and expend all commercially reasonable efforts to undertake its obligations under this Agreement .

ARTICLE IX – CITY REPRESENTATIONS

9.1 City Representations. The City represents that:

(a) The City is a body politic of the State of Wisconsin with full power and authority to enter into this Agreement and that all statutory procedures and requirements

have been followed, fulfilled and satisfied in connection with the approval of this Agreement and the authorization of all City obligations required by this Agreement; and

(b) The individuals signing this Agreement on behalf of the City have full authority to do so and upon such execution by such individuals, this Agreement will constitute (and any instrument or agreement that the City is required to give under this Agreement when executed and delivered will constitute) legal, valid and binding obligations of the City enforceable against it in accordance with their respective terms.

ARTICLE X – DEFAULTS

10.1 Default. Any one or more of the following shall constitute a "**Default**" under this Agreement.

(a) Developer fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to Developer (including, without limitation, the untimely delivery of the Required Information, completion of the Developer Improvements or any default under any other agreement related to the Project).

(b) Any representation or warranty made by Developer in this Agreement, any document related hereto or referenced herein or any financial statement delivered by Developer pursuant to this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

(c) Developer (or any permitted successor or assign of Developer) shall:

(i) become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature,

(ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets,

(iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan, or other arrangement with creditors,

(iv) have a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) calendar days or more, or such party, shall file an answer to such a petition or application, admitting the material allegations thereof,

(v) apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within sixty (60) calendar days after his appointment, or

(vi) adopt a plan of complete liquidation of its assets.

(d) The City fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to the City.

ARTICLE XI – REMEDIES

11.1 Remedies. In the event of a Default, the non-defaulting party shall provide written notice to the defaulting party of the Default (the "**Default Notice**"); however, Developer shall not be entitled to a Default Notice or a right to cure in the event the Default occurs under Subsection 10.1(c) above.

(a) The Default Notice shall provide the defaulting party at least thirty (30) calendar days to cure a Default; however, the 30-day period shall be extended to the period of time reasonably necessary to cure the Default (in the event that such 30-day period is not sufficient time to reasonably cure such Default), if the defaulting party promptly commences activities to cure the Default in good faith and diligently pursues such activities to fully cure the Default, but, in no event, shall the period of time to cure the Default exceed ninety (90) calendar days from the date of the Default Notice, unless otherwise agreed to by the parties in writing.

(b) In the event the Default is not fully and timely cured by Developer, the City shall have all of the rights and remedies available in law or in equity, including, but not limited to, all or any of the following rights and remedies, and the exercise or implementation of any one or more of these rights and remedies shall not bar the exercise or implementation of any other rights or remedies of the City provided for under this Agreement:

(i) The City may refuse to issue any permits to Developer for the construction of Developer Improvements or any other improvements on the Property;

(ii) The City may recover from Developer all damages, costs and expenses, including, but not limited to, attorneys' fees incurred by the City related to or arising out of each Default and the drafting and negotiation of this Agreement;

(iii) The City may terminate or postpone its obligation to perform any one or more of its obligations under this Agreement, including, but not limited to, any payment obligations under the MRO; or

(iv) The City may terminate this Agreement.

(c) In the event the Default is not fully and timely cured by the City, subject to Section 16.11 below, Developer shall have all of the rights and remedies available in law or in equity, however, the City shall not be liable for any punitive or consequential damages, the MRO shall only be paid out of Available Tax Increment and Developer may not perform any acts required to be performed by the City under applicable law.

ARTICLE XII – SUCCESSORS AND ASSIGNS

12.1 Successors and Assigns; Assignment. This Agreement shall be binding upon the successors and assigns of the parties hereto; however, this provision shall not constitute an authorization of Developer to assign or transfer its rights and obligations under this Agreement. Except as expressly provided for in Section 7.1 above, this Agreement shall not be assigned by Developer without the prior written consent of the City, which consent may be withheld for any reason.

ARTICLE XIII – TERMINATION

13.1 Termination. This Agreement shall not terminate until the earlier of:

(a) termination by the City of the District pursuant to §66.1105(7) of the TI Act,

(b) the date the MRO is paid in full, or

(c) termination by the City pursuant to the terms of this Agreement;

however, Developer agrees that the termination of this Agreement shall not cause a termination of the rights and remedies of the City under this Agreement.

ARTICLE XIV – NOTICES

14.1 Notices. Any notice given under this Agreement shall be deemed effective when: (a) personally delivered in writing; (b) a commercially recognized overnight delivery service provides confirmation of delivery; or (c) the third calendar day after notice is deposited with the United States Postal Service (postage prepaid, certified with return receipt requested) and addressed as follows:

If to the City:

City of Sheboygan
Attention: City Administrator
828 Center Avenue, Suite 300
Sheboygan, WI 53081

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081

with a copy to:

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202

If to Developer:

Van Horn Properties of Sheboygan LLC
Attn: Jeff Niesen
W5073 County Road O
Plymouth, WI 53073

Van Horn Properties of Sheboygan LLC
Attn: Patrick Van Horn
N6142 Spring Valley Drive
Glenbeulah, WI 53023

ARTICLE XV – APPLICABLE LAW

15.1 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Wisconsin. Any litigation related to this Agreement shall be brought in the state courts of the State of Wisconsin and the parties hereto agree to submit to the jurisdiction and venue of the Circuit Court for Sheboygan County, Wisconsin.

ARTICLE XVI – MISCELLEANEOUS

16.1 Entire Agreement. This Agreement and all of the documents referenced herein or related hereto (and as any of the aforementioned documents have been or may be amended, extended or modified) embody the entire agreement between the parties relating to the transactions contemplated under this Agreement and all agreements, representations or understanding, whether oral or written, that are prior or contemporaneous to this Agreement are superseded by this Agreement.

16.2 Amendment. No amendment, modification or waiver of any provision of this Agreement, nor consent to any departure by a party from any provision of this Agreement shall in any event be effective unless it is in writing and signed by each of the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which it is given by the respective party.

16.3 No Vested Rights Granted. Except as provided by law, or as expressly provided in this Agreement, no vested rights in connection with the Project shall inure to Developer nor does the City warrant by this Agreement that Developer is entitled to any required approvals, permits or the like with regard to the Project.

16.4 Invalid Provisions. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

16.5 Headings. The article and section headings of this Agreement are inserted for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

16.6 No Waiver; Remedies. No failure on the part of the City to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

16.7 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the named parties hereto and their permitted assignees, and nothing contained in this Agreement shall confer upon anyone other than such parties any right to insist upon or enforce the performance or observance of any of the obligations contained in this Agreement.

16.8 No Joint Venture. The City is not a partner, agent or joint venture of or with Developer.

16.9 Recording of a Memorandum of this Agreement Permitted. A memorandum of this Agreement may be recorded by the City on the Property and any or all of the Property in the office of the Register of Deeds for Sheboygan County, Wisconsin, and, upon request of the City, Developer shall execute and deliver to the City a memorandum of this Agreement for recording purposes.

16.10 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Agreement by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, strike, lockout, supply shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God, such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than ninety (90) calendar days unless agreed to in writing by the parties hereto. Notwithstanding any provision herein to the contrary, the City, in its sole and absolute discretion, may allow up to a six (6) month extension on the deadlines set forth in Section 1.1 and 2.2 above should reasonable delays occur as a result of environmental remediation issues, supply chain issues or material cost increases. Any such approved delay by the City will be evidenced in writing and provided to Developer, and without any written evidence approving such delay, the other provisions of this Agreement shall control and the immediately preceding sentence shall not apply.

16.11 Immunity. Nothing contained in this Agreement constitutes a waiver of any immunity available to the City under applicable law.

16.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, it being understood that all parties need not sign the same counterpart. This Agreement may also be executed by remote electronic means, via DocuSign, Eversign, or similar platform. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes. Upon request by a party, the parties hereto shall provide a wet-ink, original signed version of this Agreement to such party for its records.

16.13 Recitals. The RECITALS set forth above are true, accurate and incorporated herein by reference.

[The remainder of this page is intentionally left blank with signature pages to follow.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

Approved:

By: _____
Name: Evan Grossen, Deputy Finance Director/Comptroller

Approved as to Form:

By: _____
Name: Charles Adams, City Attorney

This document is authorized by and in accordance with Resolution No. 8-24-25.

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this 28th day of May, 2024, the above named Ryan Sorenson, Meredith DeBruin, Evan Grossen and Charles Adams, the City Mayor, the City Clerk, the Deputy Finance Director/Comptroller and the City Attorney of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

MARIE M. FOSS NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public, Wisconsin
My commission 1-8-2026

EXECUTION VERSION

DEVELOPER: VAN HORN PROPERTIES OF SHEBOYGAN LLC

By: _____
Name: Jeff Niesen, Manager

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this 3rd day of ~~May~~ June, 2024, the above named Jeff Niesen, as Manager of Van Horn Properties of Sheboygan LLC to me known to be the person who executed the foregoing instrument and acknowledged the same.

KAYCE M VOELKER NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public, Wisconsin
My commission expires 6-14-25

EXHIBIT A

Property

Lot 2 of Certified Survey Map recorded in Volume 21 on Pages 117-118 in the Sheboygan County Register of Deeds Office as Document No. 1754914, being located in part of the Northwest 1/4 and Northeast 1/4 of the Northwest 1/4 of Section 21, Township 15 North, Range 23 East, Town of Sheboygan, Sheboygan County, Wisconsin being more particularly described as follows:

Commencing at Northwest corner of the Northwest 1/4 of said Section 21; thence North 88°-46'-57" East along said North line, a distance of 1,181.18 feet to the Northerly extension of the West line of said Lot 2; thence South 00°-47'-44" West along said Northerly extension, a distance of 340.02 feet to the Northwest corner of said Lot 2, said point being the point of beginning; thence continuing South 00°-47'-44" West along the West line of said Lot 2, a distance of 256.48 feet to the Southerly line of said Lot 2; thence South 64°-01'-24" East along said Southerly line, a distance of 262.49 feet to the East line of said Lot 2; thence North 01°-29'-05" East along said East line, a distance of 376.85 feet to the North line of said Lot 2; thence South 88°-44'-50" West along said North line, a distance of 242.23 feet to the point of beginning and containing 1.746 acres (76,052 sq. ft.) of land more or less.

Tax Key Number: 59024351652

EXHIBIT B

Site Plan

[SEE ATTACHED]

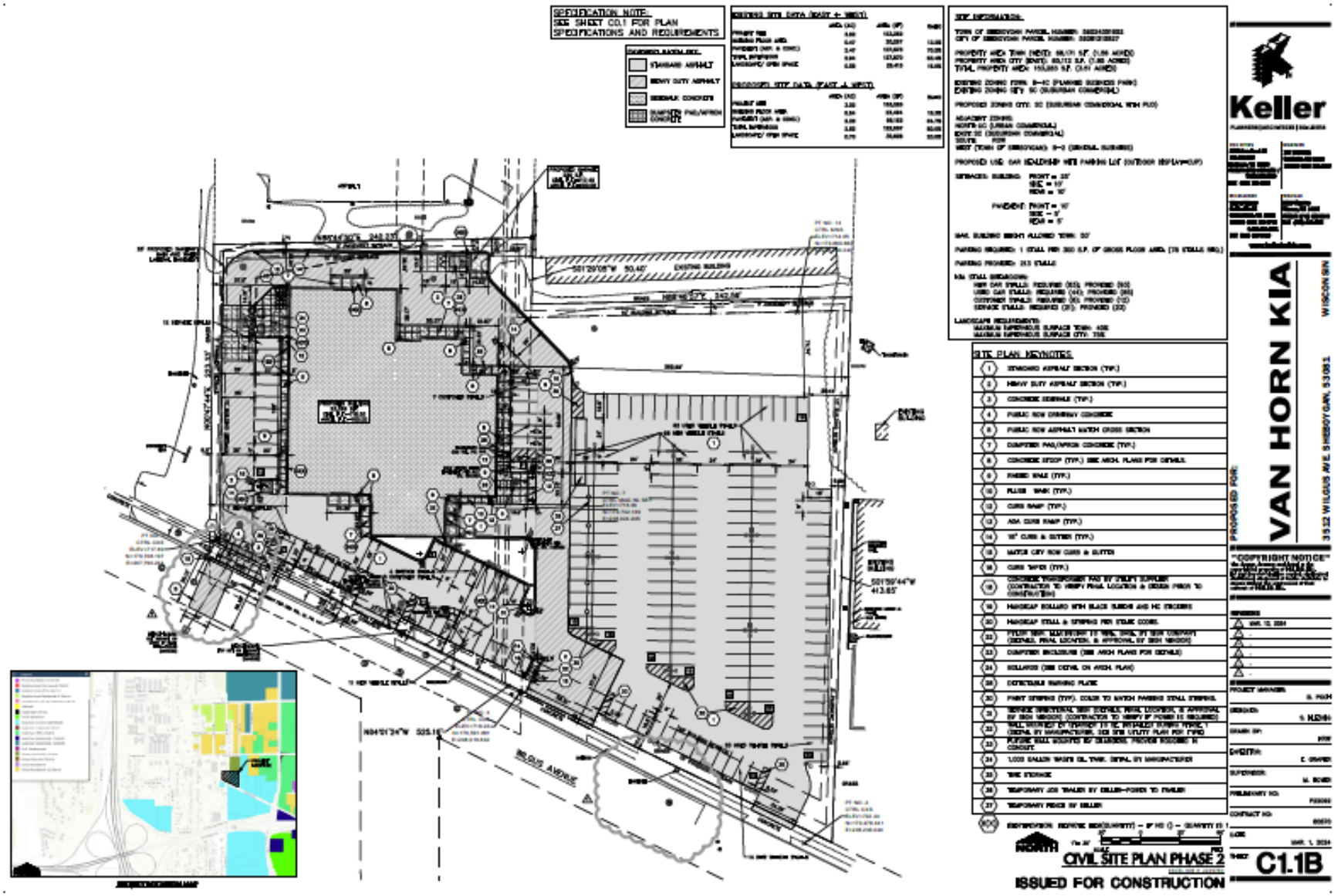

SPECIFICATION NOTE:
SEE SHEET C0.1 FOR PLAN SPECIFICATIONS AND REQUIREMENTS
STANDARD ASPHALT
HEAVY DUTY ASPHALT
SIDEWALK CONCRETE
PAD/APRON CONCRETE
SITE PLAN KEYNOTES
Keller
VAN HORN KIA
3512 WILGUS AVE, SHEBOYGAN, 53081
WISCONSIN
PROPOSED FOR:
"COPYRIGHT NOTICE"
WILGUS AVENUE
CIVIL SITE PLAN PHASE 2
ISSUED FOR CONSTRUCTION
C1.1B

EXHIBIT B

EXHIBIT C

MRO

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF SHEBOYGAN
CITY OF SHEBOYGAN

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION ("**MRO**")

Number	Date of Original Issuance	Amount
____	_____	Up to $1,000,000.00

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "**City**"), promises to pay to Van Horn Properties of Sheboygan LLC (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Revenues described below, without interest.

This MRO shall be payable in installments of principal due on October 31 (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1.

This MRO has been issued to finance projects within the City's Tax Incremental District No. 22, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the resolution adopted on [_____, 20___], by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District Development Agreement dated as of May 20, 2024 by and between the City and Developer (the "**Development Agreement**"). All capitalized but undefined terms herein shall take on the meaning given to such terms in the Development Agreement.

This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Available Tax Increment generated by the Property and appropriated by the City's Common Council to the payment of this MRO (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the principal due on this MRO, the amount due but not paid shall be deferred. The deferred principal

shall be payable on the next Payment Date until ***the earlier of***: (a) the date this MRO is paid in full, and (b) the Final Payment Date (as defined below). The City shall have no obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date. The owners of this MRO shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the City's Common Council to payment of this MRO. The "**Final Payment Date**" is October 31, 2044.

At the option of the City, this MRO is subject to prepayment in whole or in part at any time.

The City makes no representation or covenant (express or implied) that the Available Tax Increment or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder are subject to appropriation, by the City's Common Council, of Tax Increments or other amounts to make payments due on this MRO. In addition, as provided in Section 5.3 of the Development Agreement, the total amount of principal to be paid shall in no event exceed ***the lesser of***: (a) the sum of all payments made by the City on this MRO during the life of the District but in no event after the Final Payment Date, and (b) One Million Dollars ($1,000,000.00). When such amount of Revenues has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect hereto. Further, as provided in Sections 5.1, 5.3 and 11.1 of the Development Agreement or otherwise, the City's obligations to make payments on this MRO may be suspended or terminated in the event Developer is in Default under any of the terms and conditions of the Development Agreement, provided payments may be resumed when any such Default is timely cured and any payments missed due to an uncured Default also shall be paid from Available Tax Increment upon timely cure of such Default.

THIS MRO IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS MRO IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THIS MRO. FURTHER, NO PROPERTY OR OTHER ASSET OF THE CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

Except as otherwise expressly provided for in the Development Agreement, this MRO may be transferred or assigned, in whole or in part, only upon prior written consent of the City which may be withheld, conditioned or delayed for any reason. Interests in this MRO may not be split, divided or apportioned, except as set forth herein. In order to transfer or assign the MRO, if permitted by the City, the transferee or assignee shall surrender the same to the City either in

exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the City. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Sheboygan has caused this MRO to be signed on behalf of the City by its duly qualified and acting City Administrator and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF SHEBOYGAN

By: _____ EXHIBIT
Name: _____, City Administrator

(SEAL)

Attest: _____ EXHIBIT
Name: _____, City Clerk

Schedule 1

Payment Schedule

Subject to the City's actual receipt of Available Tax Increment and the terms and conditions of the Development Agreement (including, without limitation, the City's right to modify this payment schedule based upon market conditions and the actual and projected Available Tax Increment generated from the Project), the City shall make the following payments on the MRO to Developer:

Payment Date	**Payment Amount**
October 31, 2026	$_____
October 31, 2027	$_____
October 31, 2028	$_____
October 31, 2029	$_____
October 31, 2030	$_____
October 31, 2031	$_____
October 31, 2032	$_____
October 31, 2033	$_____
October 31, 2034	$_____
October 31, 2035	$_____
October 31, 2036	$_____
October 31, 2037	$_____
October 31, 2038	$_____
October 31, 2039	$_____
October 31, 2040	$_____
October 31, 20__	$_____
	==========
Total	Up to $1,000,000.00

REGISTRATION PROVISIONS

This MRO shall be registered in registration records kept by the Clerk of the City of Sheboygan, Sheboygan County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this MRO may thereafter be transferred only upon presentation of this MRO together with a written instrument of transfer in form and substance acceptable to the City and duly executed by the registered owner or his/her/its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of City Clerk

EXHIBIT D

Members of Developer

MEMBERS OF DEVELOPER:

(1) Van Horn Family Real Estate, LLC (Sole Member)

CITY OF SHEBOYGAN
RESOLUTION 90-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of February 20, 2024 between the City of Sheboygan and Malibu Apartments, LLC, a Wisconsin limited liability company (the "Developer") and attached hereto as EXHIBIT A (the "Development Agreement").

WHEREAS, the City of Sheboygan, Wisconsin created Tax Incremental District No. 21 ("TID 21") for the purpose of promoting redevelopment; and

WHEREAS, Malibu Apartments, LLC has agreed to construct and install certain improvements on the real estate (as described in greater detail in EXHIBIT A of the Development Agreement, the "Real Estate") in TID 21 (the "Project"); and

WHEREAS, in order to further its development efforts in TID 21, the City agrees to apply a portion of the tax increment revenues from TID 21 to reimburse Developer for a portion of the costs of the Project as a consideration for the other benefits provided to the City by Developer, in accordance with the terms of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to issue the City's MRO on such terms and conditions as set forth in the Development Agreement in consideration for the obligations undertaken by the Developer in constructing the Project and as otherwise set forth in the Development Agreement. The MRO shall be in the principal amount of $8,000,000 and shall not bear any interest.

The MRO shall be payable in installments of principal due on October 31 in each of the years and in the amounts of Available Tax Increment for such year as set forth in the Development Agreement.

The MRO shall be signed by the manual or electronic (e.g., DocuSign or other similar technology) signatures of the Mayor and Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the MRO, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or an electronic transmission thereof.

The MRO shall be in substantially the form set forth in the attached Development Agreement.

The MRO shall be payable only out of the "Special Redemption Fund" (the "Fund"), as hereinafter provided, and shall be a valid claim of the owner thereof only against the Fund and from the revenues pledged to such Fund, and shall be payable solely from "Available Tax Increment" (as defined in the Development Agreement) derived from the Real Estate which have been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to the payment of the MRO.

As stated above, the application of Available Tax Increment to payment of the MRO is subject to annual appropriation by the Common Council. However, and without in any way limiting the foregoing appropriation powers, the City fully expects and anticipates that to the extent Available Tax Increment is generated by the Real Estate it will appropriate, in each year, the Available Tax Increment to the payment of the principal of the MRO.

BE IT FURTHER RESOLVED: That for the purpose of the application and proper allocation of the Available Tax Increments, and to secure the payment of the principal of the MRO, the Fund is hereby created and shall be used solely for the purpose of paying principal of the MRO in accordance with the provisions of the MRO and this Resolution.

The City shall deposit in the Fund the Available Tax Increment received by the City attributable to the Real Estate. The monies on deposit in the Fund shall be used to pay principal on the MRO.

Uninvested money in the Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the City as public depositories under the laws of Wisconsin. Such deposits of Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the City.

Money in the Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the MRO. All income from such investments shall be deposited in the Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Fund.

All Available Tax Increment shall be deposited in the Fund, and no other fund is created by this Resolution.

On each Payment Date, the City shall apply Available Tax Increment that has been: (a) received by the City with respect to the Real Estate during that calendar year, and (b) appropriated by the City Council to the payment of the MRO.

If on any Payment Date there shall be insufficient Available Tax Increment appropriated to pay the principal due on the MRO, the amount due but not paid shall accumulate and be payable on the next Payment Date until the Final Payment Date. The City shall have no obligation to pay any amount of principal on the MRO which remains unpaid after the Final Payment Date.

As provided in Section 5.1 of the Development Agreement, the total amount of principal to be paid on the MRO shall not exceed $8,000,000.00. When that amount of Available Tax Increment has been appropriated and applied to payment of the MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect thereto.

BE IT FURTHER RESOLVED: That the City Clerk shall keep books for the registration and for the transfer of the MRO. The person or entity in whose name any MRO shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payments on the MRO shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such MRO to the extent of the sum or sums so paid.

The MRO may be transferred or assigned, in whole or in part, by the registered owner thereof only with the consent of the City and with the satisfaction of all other assignment requirements set forth in the MRO and the Development Agreement, by surrender of the MRO at the office of the Clerk of the City accompanied by an assignment duly executed by the registered owner or such registered owner's attorney-in-fact duly authorized in writing. Upon such transfer or assignment, the Clerk of the City shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the MRO and re-issue the MRO (or a new MRO of like aggregate principal amount and maturity).

BE IT FURTHER RESOLVED: That the Mayor, the City Clerk, the City Administrator and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the MRO.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the MRO), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

BE IT FURTHER RESOLVED: That if any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

EFFECTIVE DATE: This Resolution shall be effective immediately upon its passage and approval.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

EXHIBIT A

DEVELOPMENT AGREEMENT

[SEE ATTACHED]

TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into as of February 20, 2024 (the "**Effective Date**") by and among the CITY OF SHEBOYGAN (the "**City**"), a Wisconsin municipal corporation, and MALIBU APARTMENTS, LLC, a Wisconsin limited liability company ("**Developer**").

RECITALS

A. The City intends to create Tax Incremental District No. 21 ("**District**") as a rehabilitation tax increment district under the City's proposed project plan (the "**Project Plan**") in order to finance various project costs within the District subject to approvals by the City's Common Council and the Joint Review Board for the District pursuant to Wis. Stat. § 66.1105 (the "**TI Act**").

B. Developer owns (or has the ability to purchase under a binding contract that Developer represents will be assigned to Developer prior to closing on the acquisition of) the real property located in the District described in greater detail in Exhibit A attached hereto and incorporated herein by reference (collectively, the "**Property**").

C. Developer, pursuant to the terms and conditions of this Agreement, is obligated to, among other things, construct a development on the Property consisting of one or more buildings that house at least two hundred ten (210) residential units and may contain approximately three thousand four hundred square feet of commercial space (the "**Project**").

D. Developer acknowledges that but for the MRO (as defined below) provided by the City in this Agreement, Developer would not move forward with the Project.

E. The City believes it is appropriate to use tax increments from the District to provide for, among other things, the MRO for the benefit of the District to facilitate development and redevelopment within the District.

F. The City further believes that the Project, as described in this Agreement, is in the best interests of the City and its residents and is reasonably consistent with the public purposes and the development expectations of the City, including, but not limited to, expanding housing, tax base and employment opportunities within the City.

NOW, THEREFORE, the City and Developer, in consideration of the terms and conditions contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, each agrees as follows:

AGREEMENT

ARTICLE I – REQUIRED INFORMATION; DISTRICT CREATION; TERMINATION

1.1 Required Information. The City shall have no obligations under this Agreement, and shall have the right to terminate this Agreement in accordance with the provisions of

Section 1.3 below, if the Required Information (as defined below) has not been timely provided by the Developer to the City in form and substance reasonably acceptable to the City. On or before October 1, 2024, Developer shall provide to the City the following required information related to the Project (collectively, the "**Required Information**") and such other documentation as the City may request, both in form and in substance acceptable to the City:

(a) A commitment for an owner's policy of title insurance issued by a title insurance company licensed to do business in Wisconsin identifying Developer as the proposed insured/owner of the Property (the "**Property Commitment**") and containing copies of all easements, restrictions, encumbrances, leases or other documents of record affecting the Property (collectively, "**Property Exceptions**"). None of the Property Exceptions shall interfere with the proposed development of the Project.

(b) A fully-executed offer to purchase the Property between Developer and the owner of record for the Property in form and substance of the offer attached hereto as Exhibit B which is incorporated herein by reference (the "**Offer**") and all contingencies set forth in the Offer (other than having to do with the effectiveness of this Agreement at the closing for such purchase of the Property) have been waived, satisfied or are no longer applicable by passage of time or otherwise.

(c) A schedule for the construction of Developer Improvements (as defined below) and identifying the following for the Project:

(i) Intended commencement and completion date,

(ii) Reasonably estimated costs associated with the construction, and

(iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Property.

(d) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for the Project, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Developer and Developer's general contractor.

(e) Documentation confirming that Developer has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals relating to the Project. Developer shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for the Project).

(f) A copy of the final construction plans and complete specifications for the intended construction related to the Project that are consistent with the provisions of this Agreement (the "**Final Plans**"). The Final Plans must be certified as final and complete and be signed by Developer, the consulting engineer, architect and the general contractor (as applicable) and approved by the City in writing.

(g) All documents authorizing the construction and financing of the Project and directing the appropriate officer of Developer to execute and deliver this Agreement, the Offer and all other agreements, documents and contracts required to be executed by it in connection with the transactions which are the subject of this Agreement (including, without limitation, authorizing resolutions of Developer).

1.2 Creation of the District. Subsequent to the Effective Date, the City shall make good faith efforts to create the District by initiating and reasonably pursuing the statutory process for the creation of a tax incremental district pursuant to the TI Act.

1.3 Termination Rights. If the City does not receive the approval of the District and the Project Plan by the City Council and the Joint Review Board, as required by Sections 66.1105(4) and 66.1105(4m) of the TI Act, the City shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO). If Developer fails to fully and timely provide the Required Information, as determined in the sole discretion of the City, the Developer shall be in Default under this Agreement. If Developer does not provide such Required Information within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO).

ARTICLE II – COMMENCEMENT NOTICE AND DEVELOPER IMPROVEMENTS

2.1 Commencement Notice. Developer shall provide a written notice to the City of Developer's intention to commence the Project on or before October 1, 2024 (the "**Commencement Notice**"). To be effective, the Commencement Notice shall be accompanied by, or Developer shall have previously delivered to the City, all of the Required Information. If Developer does not timely provide the Commencement Notice and all of the Required Information to the City, Developer will be deemed to not be ready to develop the Project and be in Default under this Agreement. If Developer does not cure all outstanding Default(s) within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have no obligation to perform any obligation of the City under this Agreement (including, without limitation, issuing the MRO) and the City may terminate this Agreement.

2.2 Developer Improvements. Developer shall undertake, at Developer's own expense, the following improvements, obligations and work on the Property consistent with the Final Plans and all applicable laws, regulations and ordinances (collectively, the "**Developer Improvements**"):

(a) Developer shall construct and timely complete the Project. Developer shall commence construction of: (i) the first phase of the Project (installing footings for the southern building on the Property comprised of a combined 72 unit and 80 unit build as depicted in the site plan attached as Exhibit C, the "**First Phase**") on or before May 1, 2025; and (ii) the second phase of the Project (installing footings for the northern building on the Property comprised of an at least fifty-eight (58) unit build as depicted in the site plan attached as Exhibit C, the "**Second Phase**") on or before December 31, 2026. Upon such commencement, Developer shall proceed to the fully-satisfy and complete all of the

improvements, obligations and work set forth in this Section 2.2 with due diligence and without unreasonable delay or interruption (with the exception of force majeure events, if any, as defined in Section 16.10 below). On or before May 1, 2026 (the "**First Phase Completion Date**"), the First Phase of the Project shall be completed, and on or before December 31, 2027 (the "**Second Phase Completion Date**") the Second Phase of the Project shall be completed and on the Second Phase Completion Date at least two hundred ten (210) residential units shall be available for occupancy.

(b) Developer shall promptly pay for all applicable City impact fees and charges related to the Project. As additional consideration to Developer for this Agreement, and so long as no Default occurs under this Agreement, the City agrees to defer the due date for the payment of impact fees to on or before thirty (30) calendar days after the earlier of Developer receiving: (i) a certificate of occupancy for all residential units in the Project, or (ii) a certificate of substantial completion from Developer's architect for the Project.

(c) Developer shall be responsible for all landscaping on the Property, including, without limitation, trees, shrubs, seeding or sod related to the Project.

(d) Developer shall install, or have installed, all electric, gas, fiber-optic, telephone and cable services and all improvements for the use and operation of the Project.

(e) Developer shall install, or have installed, all sanitary sewer and water laterals on the Property, as well as connections of such laterals to new or existing sewer and water mains.

(f) Developer shall install, or have installed, all storm water drainage systems and facilities on the Property, including drain tiles, pipes, detention ponds and retention ponds, consistent with all applicable laws, regulations and specifications for such systems and facilities.

(g) Developer shall be responsible for all erosion control measures related to Project and the construction of all improvements on the Property.

(h) Developer shall be responsible for all costs related to the work to be performed by Developer under this Agreement, including, but not limited to, all applicable engineering, inspections, materials, labor, permit, impact, license and any and all other fees.

The obligations on Developer under this Agreement shall be deemed covenants running with the land and shall be applicable to Developer's successors and assigns and all other persons or entities acquiring any interest in the Property during the term of the District.

2.3 Progress and Quality of Work. Upon commencement of the Developer Improvements, Developer shall proceed to the full completion of the Developer Improvements with due diligence and without delay or interruption with the exception of force majeure events, if any, as defined in Section 16.10 below. Subject to the foregoing, completion of the First Phase of

the Project (as evidenced by the issuance of an occupancy permit on the Property for the First Phase) shall occur on or before the First Phase Completion Date, and completion of the Second Phase of the Project (as evidenced by the issuance of an occupancy permit on the Property for the Second Phase) shall occur on or before the Second Phase Completion Date. All work to be performed by or on behalf of Developer related to the Project shall be performed in a good and workmanlike manner, consistent with the prevailing industry standards for such work in the area of the City.

2.4 Compliance Obligations. All of the Developer Improvements shall be completed in accordance with all applicable laws, regulations, ordinances and building and zoning codes and Developer shall, at Developer's cost, obtain and maintain all necessary permits and licenses for the Developer Improvements.

2.5 Indemnification and Insurance Required of Private Contractors. Developer hereby expressly agrees to indemnify and hold the City harmless from and against all claims, costs and liability related to any damage to the Property or injury or death to persons caused by Developer's performance of the Developer Improvements or any other work required of Developer under this Agreement, unless the cause is due to the willful misconduct by the City.

2.6 Compliance with Law. Developer shall comply with all applicable laws, ordinances, and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, Developer shall be subject to any applicable laws, ordinances and regulations that become effective after approval.

2.7 Payment of Taxes. Developer shall timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due.

2.8 Time is of the Essence. Time is of the essence with reference to Developer's obligation to commence and complete the Developer Improvements. Developer acknowledges that the timely performance of its respective work under this Agreement is critical to the collection of the tax increment upon which the parties are relying for the performance of their respective obligations under this Agreement.

2.9 Reconstruction. Until the District is closed, in the event of any casualty, loss or damage to the improvements on the Property, Developer shall proceed with the repair and replacement of such improvements on the Property affected by such a loss or damage and restore such improvements to at least the condition and quality that such improvements were in, and with an equalized value at least equal to the equalized value, immediately prior to the casualty, loss or damage (each an "**Uncured Casualty Loss**"). Subject to force majeure delays, in no event shall Developer take longer than one hundred eighty (180) calendar days after the date of a loss or damage to restore the affected improvements. If Developer fails to timely comply with all of the requirements in this Section 2.9, Developer shall be in Default under this Agreement and the City shall be entitled to the remedies set forth in this Agreement and available in equity or applicable law.

ARTICLE III– DEVELOPER GUARANTY AND OBLIGATIONS

3.1 Guarantied Value. The parties anticipate that, upon completion, the currently contemplated land and improvements related to the Project will have an equalized value for purposes of real property assessment ("**Equalized Value**") of not less than Forty Million Dollars ($40,000,000.00; the "**Guarantied Value**") by December 31, 2027. As a condition to entering into this Agreement, the City requires that Developer guaranty a minimum Equalized Value for the land and improvements related to the Project. By executing this Agreement, Developer and Jacob Buswell (the "**Guarantor**") each hereby jointly and severally guaranties that, on and after December 31, 2027 (the "**Guarantied Value Date**"), the Equalized Value of the land and improvements on the Property shall at all times during the life of the District be at least the Guarantied Value. If the Equalized Value of the Property is less than the Guarantied Value any time on or after the Guarantied Value Date, the Developer shall be in Default under this Agreement.

3.2 Failure to Construct. If Developer provides a Commencement Notice as required by Section 2.1 but does not timely complete construction of the Project as herein provided, then Developer and Guarantor shall pay to the City all sums incurred by the City with regard to the preparation and drafting of this Agreement and all other sums not recoverable from Tax Increments (as defined below). All repayments shall be completed within thirty (30) calendar days after Developer's non-performance or Default under this Agreement.

3.3 Guaranty Obligations. If on or any time after the Guarantied Value Date, whether as a result of an Uncured Casualty Loss or otherwise, the Equalized Value of the Property is less than the Guarantied Value (each a "**Shortfall Event**"), then Developer and the Guarantor shall jointly and severally owe the City an amount equal to the difference between (a) the Tax Increment the City otherwise would have received on the Property if the Property's Equalized Value equaled the Guarantied Value, and (b) the Tax Increment received by the City in the year a Shortfall Event occurs (such difference between (a) and (b) being referred to herein as the "**Tax Increment Shortfall**"). If a Tax Increment Shortfall is owed to the City, then unless and until the Equalized Value of the Property increases to at least the Guarantied Value, for each January 1 following a Shortfall Event, that the Equalized Value of the Property is less than the Guarantied Value, Developer and the Guarantor, shall pay to the City an amount equal to the Tax Increment Shortfall for such calendar year. If and when the Equalized Value of the Property as of any January 1 is equal to or greater than the Guarantied Value: (i) the Default related to non-compliance with the Guarantied Value requirement shall be deemed cured, (ii) no further January 1 assessment valuations shall occur or be required, and (iii) no Tax Increment Shortfall payment obligation shall be incurred for such year or any year thereafter, unless a new Shortfall Event occurs. If a Tax Increment Shortfall continues through the closing of the District, no further Equalized Value assessment calculations shall occur and no further Tax Increment Shortfall payment obligations of Developer or the Guarantor shall arise after the District is closed. Developer agrees that it shall not, and hereby waives any right to, during the life of the District, challenge the assessed value of the Property.

3.4 Payment of Tax Increment Shortfall. Any Tax Increment Shortfall payment due to the City shall be deducted from any MRO payment (otherwise due Developer but for the Default) from the City during the year in which the Tax Increment Shortfall payment

obligation arises. If the Tax Increment Shortfall payment exceeds the amount of such MRO payment, Developer and Guarantor shall pay to the City an amount equal to the difference between such MRO payment and the Tax Increment Shortfall. If there is no MRO payment due Developer for such year, Developer shall pay to the City the full amount of the Tax Increment Shortfall for such year. Any Tax Increment Shortfall payment due to the City from Developer pursuant to this ARTICLE III shall be made within ten (10) days of written request for payment by the City.

ARTICLE IV – ACCESS, INSPECTIONS AND CONTRACTORS

4.1 Access and Inspections. Developer hereby grants to the City, its agents, employees, officials, representatives, contractors and consultants the right to enter upon the Property at all reasonable times (upon reasonable advance notice to Developer) for the City to inspect the Property and the Project.

4.2 Inspections for City's Benefit Only. Each inspection conducted by the City or the City's agents shall be deemed to have been for the City's own benefit and shall in no way be construed to be for the benefit of or on behalf of Developer. Developer shall not (and hereby each waives any right to) rely in any way upon such inspections, appraisals or determinations of the City.

4.3 Contractors and Consulting Engineers. At any time, the City shall have the right to retain consulting engineers and architects to perform services for the City (which shall be at the City's expense, unless the City must perform inspections as a result of Developer's failure to meet the Final Plans then such expenses will be at Developer's expense) including, without limitation:

(a) to make periodic inspections with reasonable advance notice to Developer for the purpose of assuring that construction is in accordance with the Final Plans and the requirements of this Agreement;

(b) to advise the City of the anticipated cost of, and a time for, the completion of construction work; and

(c) to review and advise the City of any proposed changes in the construction of the Project.

The City's selection of, and reliance upon, the consulting engineers and architects shall not give rise to any liability on the part of the City for the acts or omissions of the consulting engineers or architects or their employees or agents.

Contractors selected for the Project shall be qualified in the City to perform the work, shall be licensed to do business in the State of Wisconsin, shall have experience in providing the type of work and materials required of Developer Improvements, and shall have a good reputation for diligent performance of their obligations under their respective contracts.

ARTICLE V – MUNICIPAL REVENUE OBLIGATION

5.1 Municipal Revenue Obligation. Pursuant to the terms of this Agreement, the City agrees to issue to Developer, within ninety (90) calendar days after the City's receipt of the

Commencement Notice, a non-interest bearing municipal revenue obligation (the "**MRO**"). The amount paid under the MRO shall equal ***the lesser of***:

(a) Eight Million Dollars ($8,000,000.00); and

(b) The sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date (as defined below).

Except as otherwise provided herein, payments on the MRO will equal the Available Tax Increment in each year appropriated by the City's Common Council until and including ***the earlier of*** the date this Agreement is terminated, the date the District is terminated, the Final Payment Date and the date the MRO is paid in full. "**Available Tax Increment**" means an amount equal to:

(a) ninety-five percent (95%) during the life of the District for calendar years 2027, 2028, 2029, 2030 and 2031, and

(b) seventy-five percent (75%) during the life of the District for each calendar year after 2031 but on or prior to the Final Payment Date,

of the difference between the Tax Increment actually received by the City and appropriated by the City's Common Council in each year **less** the following (collectively, the "**Priority Project Costs**"): (i) all debt service payments incurred or to be incurred by the City in a given year for work performed or to be performed with regard to the Project or the Property; (ii) the amount of the City's administrative expenses, including, but not limited to, reasonable charges for the time spent by City employees in connection with the negotiation and implementation of this Agreement, (iii) professional service costs, including, but not limited to, those costs incurred by the City for outside architectural, planning, engineering, inspections, financial consulting and legal advice (including, without limitation, attorneys' costs and fees) and services related to the negotiation and implementation of this Agreement, and (iv) other eligible project costs previously incurred by the City in preparation for this Project or to be incurred by the City under the Project Plan, including, without limitation, site preparation and costs and expenses related to the Property or the Project provided such eligible project costs are not financed by the debt service referenced in (i) above. Any Priority Project Cost not paid due to insufficient Tax Increment shall be carried forward and paid from Tax Increment in the next year, or if necessary, following years until fully paid. "**Tax Increment**" shall have the meaning given under Wis. Stat. § 66.1105(2)(i) but shall be limited to the Tax Increment attributable to the Project, the land and improvements on the Property.

Provided that Developer is not in Default under this Agreement, the City shall, subject to annual appropriation of such payment by the City's Common Council, pay the Available Tax Increment, if any, to the holder of the MRO in one annual payment, on or before October 31st of each year commencing on October 31, 2027, and continuing to (and including) the earlier of the date the MRO is paid in full or October 31, 2051 (each, a "**Payment Date**"). Notwithstanding the previous sentence, in the event that Developer is in Default on a Payment Date, payment by the City may be suspended until all outstanding Defaults are cured.

To the extent that on any Payment Date the City is unable to make all or part of a payment of principal due on the MRO from such Available Tax Increment due to an absence of adequate Available Tax Increment, non-appropriation by the City's Common Council or otherwise, such failure shall not constitute a default by the City under the MRO. The amount of any such deficiency shall be deferred without interest. The deferred principal shall be due on the next Payment Date on which the City has the ability to payout Available Tax Increment. The term of the MRO and the City's obligation to make payments hereunder shall not extend beyond the earlier of October 31, 2051 (the "**Final Payment Date**") or the date the MRO is paid in full. If the MRO has not been paid in full by the Final Payment Date, then the City shall have no obligation to make further payments on the MRO. Upon the earlier of the date the MRO is paid in full and the Final Payment Date, the MRO shall terminate and the City's obligation to make any payments under the MRO shall be fully discharged, and the City shall have no obligation and incur no liability to make any payments hereunder or under the MRO, after such date.

The MRO shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment which has been appropriated for that purpose, and then only to the extent and in the manner herein specified. The MRO is a special, limited revenue obligation of the City and shall not constitute a general obligation of the City. The City will use good faith efforts to annually appropriate the Available Tax Increment for the MRO, until the earlier of the Final Payment Date, the termination of this Agreement or the MRO, or the payment in full of the MRO as provided herein. If Available Tax Increment is received by the City earlier than the first Payment Date, the applicable portion of such increment shall be retained by the City and applied to the first payment subject to appropriation by the City Common Council. Developer shall not have the right to assign the MRO except as set forth therein. Interests in the MRO may not be split, divided or apportioned.

5.2 MRO Form. The MRO shall be substantially in the form attached to this Agreement as Exhibit D (which is incorporated herein by reference) and shall be payable in accordance with the terms and conditions set forth in this Agreement and such MRO. In the event of a conflict between the terms of this Agreement and the terms of the MRO, the terms in this Agreement shall prevail. The principal payments shall be payable solely from the Available Tax Increment appropriated by the City. On or about each Payment Date under the MRO, the City shall provide to Developer an accounting identifying the Available Tax Increment, the amount of the payment being made on such Payment Date, and, if applicable, the remaining principal balance due on the MRO after the application of such payment.

5.3 Issuance of MRO and Payment Limitation. Provided that Developer is not in Default under this Agreement beyond the applicable cure period (if any), the City will deliver the MRO to Developer within ninety (90) calendar days after the City's receipt of the Commencement Notice. Notwithstanding the previous sentence, in the event that Developer is in Default prior to the City's issuance of the MRO, the City shall not be required to deliver the MRO to Developer until a reasonable time after, but in no event less than thirty (30) calendar days after, all such Defaults are cured, provided each Default is cured within the applicable cure period for such Default. If the City does not timely provide the MRO to Developer, the Developer shall make a written request to the City to deliver the executed MRO within thirty (30) calendar days after the

date of such written request by the Developer. The total amount of principal to be paid under the MRO shall in no event exceed ***the lesser of***:

(a) Eight Million Dollars ($8,000,000.00); and

(b) The sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date.

The City's obligation to make payments on the MRO is conditioned on the requirement that Developer is not in Default under this Agreement. For the avoidance of any doubt, upon the occurrence of a Default, the City may suspend all payments until the Default is cured and, upon the expiration of all applicable cure periods for such Default, the City may exercise any and all available remedies.

5.4 Payment of Priority Project Costs and Repayment Schedule. From the Tax Increment received by the City each year, the City shall first pay the outstanding Priority Project Costs. The estimated repayment schedule of the MRO shall be set forth in Schedule 1 to the MRO. The City reserves the right to modify the MRO repayment schedule based upon market conditions, applicable Priority Project Costs and the actual and projected Available Tax Increment generated from the Project. The Available Tax Increment held by the City each year shall be applied to the payment of principal due on the MRO in accordance with the payment schedules set forth in such MRO until a maximum payout has been made (which equals the Available Tax Increment for a given year), subject to appropriation by the City Common Council.

ARTICLE VI – ZONING, LAND USE AND RESTRICTIVE COVENANT

6.1 Zoning Compliance. The Project shall be in compliance with the applicable zoning ordinance and land use guidelines applicable to the Property and shall be subject to the payment of any applicable impact fees in the amounts applicable at the time each required permit is issued, unless otherwise provided herein. Nothing in this Agreement shall obligate the City to grant variances, re-zoning, exceptions or conditional use permits related to the Project.

6.2 Tax Status/Restrictive Covenant. Without the prior written consent of the City (which may be withheld for any reason), Developer shall not use or permit the use of the Property in any manner which would render the Property exempt from property taxation during the life of the District. Further, Developer will not challenge or contest any assessment on the Property by the City, including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding. Prior to the conveyance of all or any portion of the Property, Developer agrees to record on the Property with the Sheboygan County Register of Deeds a deed restriction or restrictive covenant evidencing the restrictions on the Property set forth in this Section 6.2. The foregoing deed restrictions or restrictive covenants shall permit, but shall not obligate, the City to enforce such deed restrictions or restrictive covenants and shall be in form and in substance acceptable to the City. The deed restrictions or restrictive covenants shall continue to be applicable until the termination of the District. However, Developer shall not have a continuing obligation for compliance with this provision as to any portion of the Property in which Developer no longer maintains any interest

(whether as owner, tenant, occupant or otherwise) provided that Developer has timely recorded the deed restriction or restrictive covenant as approved by the City.

6.3 Land Dedications, Transfers and Easements for the Project. Developer agrees to make such land dedications and to grant such temporary or permanent easements as are required by the City for the construction and maintenance of the Project. All documentation for such dedications or easements shall be in form and substance acceptable to the City and Developer. Developer agrees to cooperate with the City if the City desires to prepare certified survey maps or other documentation as deemed appropriate by the City to facilitate the implementation and documentation of such dedications and easements and to adjust the lot lines of the Property in a manner reasonably acceptable to the City and Developer.

ARTICLE VII – ASSIGNMENTS AND CHANGES OF CONTROL

7.1 Assignments and Change of Control. This Agreement and the MRO shall not be assignable by Developer without the prior written consent of the City (which may be withheld by the City for any reason). The ownership or control of Developer shall not be transferred to any person or entity without the prior written consent of the City (which may be withheld by the City for any reason). The prohibition on the transfer of ownership or control shall not be applicable in the event of the death of a member and the interest being transferred is the deceased member's interest. The term "ownership or control" shall mean twenty percent (20%) or more of the Ownership Interests in Developer. For the purposes of this Agreement, "**Ownership Interests**" shall mean the members' rights to share in distributions and other economic benefits of Developer, the members' rights to participate in decision making, or both. The current members of Developer are identified on Exhibit E attached hereto and incorporated herein by reference.

In the event this Agreement is assigned by Developer, such assignee shall execute all documents required by the City to confirm that such assignee is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement. Further, in the event this Agreement is assigned by Developer, Developer agrees to remain jointly and severally liable for all obligations of the Developer (whether to be completed by itself or its assign) under this Agreement.

Notwithstanding any provision herein to the contrary, this Agreement and the MRO may be collaterally assigned to a mortgage lender financing the development and completion of the Project.

ARTICLE VIII – DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Developer Representations, Warranties and Covenants. Developer represents, warrants and covenants that:

(a) Developer is a limited liability company duly formed and validly existing in the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition;

(b) Developer has full authority to execute and perform this Agreement and the Offer and has obtained all necessary authorizations (whether by official board resolution or action, unanimous written consent in lieu of a meeting or otherwise) to enter into, execute, perform and deliver this Agreement and the Offer;

(c) the execution, delivery, and performance of Developer's respective obligations pursuant to this Agreement and/or the Offer will not violate or conflict with (i) Developer's articles of organization, operating agreement or any indenture, instrument or agreement by which it is bound, (ii) any other agreement to which Developer is a party, or (iii) any law applicable to Developer, the Offer or the Project;

(d) this Agreement constitutes (and any instrument or agreement that Developer is required to give under this Agreement (including, without limitation, the Offer) when delivered will constitute) legal, valid, and binding obligations of Developer enforceable against Developer in accordance with their respective terms;

(e) Developer will expeditiously complete the development and construction of Developer Improvements and the Project in a good and workmanlike manner and in accordance with all acceptable statutes, ordinances and regulations, any restrictions of record and the Final Plans provided to the City regarding the Project;

(f) Developer will not make or consent to any material modifications to the Final Plans without the prior written consent of the City;

(g) Developer will discharge all claims for labor performed and materials, equipment, and services furnished in connection with the construction of Developer Improvements and the Project; nothing contained in this Agreement shall require Developer to pay any claims for labor, services or materials which it, in good faith, disputes and is currently and diligently contesting, provided, however, that Developer shall, within ten (10) calendar days after the filing (or the assertion) of any claim of lien that is disputed or contested by Developer, obtain and record (if required by the City) a surety bond sufficient to release said claim or lien or provide the City with other such assurances that the City may require;

(h) Developer will take all steps to forestall claims of lien against the Property (any part thereof or right or interest appurtenant thereto) or any personal property and fixtures located or used in connection with the Property;

(i) Developer will maintain, at all times during construction, a policy of builder's risk completed value and contractor's multiple perils and public liability, extended coverage, vandalism and malicious mischief hazard insurance covering the Property in at least the amount of the full replacement, completed value of the improvements on the Property;

(j) Developer will timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due, as well as claims for labor and materials which, if unpaid, might become a lien or charge upon the Property;

(k) Developer will promptly furnish to the City, during the term of this Agreement, written notice of any litigation affecting Developer and any claims or disputes which involve a material risk of litigation against Developer;

(l) Developer shall deliver to the City revised statements of estimated costs of the construction for Developer Improvements showing changes in or variations from the original cost statement provided to the City as soon as such changes are known to Developer;

(m) Developer shall provide to the City, promptly upon the City's request, any information or evidence deemed necessary by the City related to performance of Developer under this Agreement to enable the City to timely and accurately complete any accounting or reporting requirements applicable to the City related to the transactions under this Agreement;

(n) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Developer is pending or threatened, and no other event has occurred which may materially adversely affect Developer's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the City in writing;

(o) there are no delinquent outstanding personal property taxes, real estate taxes, or special assessments affecting the Property; and

(p) subject to the terms of this Agreement, it shall not at any time challenge or contest any assessment on the Property by the City including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding.

8.2 Execution Representations and Warranties. The person(s) signing this Agreement on behalf of Developer represent(s) and warrant(s) that he/she/they have full power and authority to execute this Agreement on behalf of Developer and to bind Developer to the terms and conditions of this Agreement.

8.3 Cooperation. Developer warrants that it shall exercise all reasonable diligence and expend all commercially reasonable efforts to undertake its obligations under this Agreement and the Offer.

ARTICLE IX – CITY REPRESENTATIONS

9.1 City Representations. The City represents that:

(a) The City is a body politic of the State of Wisconsin with full power and authority to enter into this Agreement and that all statutory procedures and requirements have been followed, fulfilled and satisfied in connection with the approval of this Agreement and the authorization of all City obligations required by this Agreement;

(b) The individuals signing this Agreement on behalf of the City have full authority to do so and upon such execution by such individuals, this Agreement will constitute (and any instrument or agreement that the City is required to give under this Agreement when executed and delivered will constitute) legal, valid and binding obligations of the City enforceable against it in accordance with their respective terms; and

(c) The City will perform the Street Parking Work (as defined below) in the area adjacent to the Property along South 7th Street and Clara Avenue as generally shown in the attached Exhibit F attached hereto and incorporated herein by reference. "**Street Parking Work**" means to remove and replace existing curb and gutter along the applicable roads and line the parking spaces consistent with the Final Plans.

ARTICLE X – DEFAULTS

10.1 Default. Any one or more of the following shall constitute a "**Default**" under this Agreement.

(a) Developer fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to Developer (including, without limitation, the untimely delivery of the Required Information, completion of the Developer Improvements or any default under the Offer or any other agreement related to the Project).

(b) Any representation or warranty made by Developer in this Agreement, any document related hereto or referenced herein or any financial statement delivered by Developer pursuant to this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

(c) Developer (or any permitted successor or assign of Developer) shall:

(i) become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature,

(ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets,

(iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan, or other arrangement with creditors,

(iv) have a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) calendar days or more, or such party, shall file an answer to such a petition or application, admitting the material allegations thereof,

(v) apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within sixty (60) calendar days after his appointment, or

(vi) adopt a plan of complete liquidation of its assets.

(d) The City fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to the City.

ARTICLE XI – REMEDIES

11.1 Remedies. In the event of a Default, the non-defaulting party shall provide written notice to the defaulting party of the Default (the "**Default Notice**"); however, Developer shall not be entitled to a Default Notice or a right to cure in the event the Default occurs under Subsection 10.1(c) above.

(a) The Default Notice shall provide the defaulting party at least thirty (30) calendar days to cure a Default; however, the 30-day period shall be extended to the period of time reasonably necessary to cure the Default (in the event that such 30-day period is not sufficient time to reasonably cure such Default), if the defaulting party promptly commences activities to cure the Default in good faith and diligently pursues such activities to fully cure the Default, but, in no event, shall the period of time to cure the Default exceed ninety (90) calendar days from the date of the Default Notice, unless otherwise agreed to by the parties in writing.

(b) In the event the Default is not fully and timely cured by Developer, the City shall have all of the rights and remedies available in law or in equity, including, but not limited to, all or any of the following rights and remedies, and the exercise or implementation of any one or more of these rights and remedies shall not bar the exercise or implementation of any other rights or remedies of the City provided for under this Agreement:

(i) The City may refuse to issue any permits to Developer for the construction of Developer Improvements or any other improvements on the Property;

(ii) The City may recover from Developer all damages, costs and expenses, including, but not limited to, attorneys' fees incurred by the City related to or arising out of each Default and the drafting and negotiation of this Agreement;

(iii) The City may terminate or postpone its obligation to perform any one or more of its obligations under this Agreement, including, but not limited to, any payment obligations under the MRO; or

(iv) The City may terminate this Agreement.

(c) In the event the Default is not fully and timely cured by the City, subject to Section 16.11 below, Developer shall have all of the rights and remedies available in law or in equity, however, the City shall not be liable for any punitive or consequential damages, the MRO shall only be paid out of Available Tax Increment and Developer may not perform any acts required to be performed by the City under applicable law.

ARTICLE XII – SUCCESSORS AND ASSIGNS

12.1 Successors and Assigns; Assignment. This Agreement shall be binding upon the successors and assigns of the parties hereto; however, this provision shall not constitute an authorization of Developer to assign or transfer its rights and obligations under this Agreement. Except as expressly provided for in Section 7.1 above, this Agreement shall not be assigned by Developer without the prior written consent of the City, which consent may be withheld for any reason.

ARTICLE XIII – TERMINATION

13.1 Termination. This Agreement shall not terminate until the earlier of:

(a) termination by the City of the District pursuant to §66.1105(7) of the TI Act,

(b) the date the MRO is paid in full, or

(c) termination by the City pursuant to the terms of this Agreement;

however, Developer agrees that the termination of this Agreement shall not cause a termination of the rights and remedies of the City under this Agreement.

ARTICLE XIV – NOTICES

14.1 Notices. Any notice given under this Agreement shall be deemed effective when: (a) personally delivered in writing; (b) a commercially recognized overnight delivery service provides confirmation of delivery; (c) the third calendar day after notice is deposited with the United States Postal Service (postage prepaid, certified with return receipt requested); or (d) in the case of an e-mail notice (which shall be effective for all purposes hereunder), when sent to the e-mail address(es) provided below; provided that any party may request that an e-mail notice be followed by another form of notice under this Section 14.1 within three (3) calendar days after such request, and addressed as follows:

If to the City:

City of Sheboygan
Attention: City Administrator
828 Center Avenue, Suite 300
Sheboygan, WI 53081
casey.bradley@sheboyganwi.gov

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081
charles.adams@sheboyganwi.gov

with a copy to:

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202
brion.winters@vonbriesen.com

If to Developer:

Malibu Apartments, LLC
Attn: Jake Buswell
1525 Torrey View Drive
Sparta, WI 54656
jake.buswell@allamericandoitcenter.com

with a copy to:

Malibu Apartments, LLC
Attn: Todd Page
1525 Torrey View Drive
Sparta, WI 54656
todd.page@allamericandoitcenter.com

ARTICLE XV – APPLICABLE LAW

15.1 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Wisconsin. Any litigation related to this Agreement shall be brought in the state courts of the State of Wisconsin and the parties hereto agree to submit to the jurisdiction and venue of the Circuit Court for Sheboygan County, Wisconsin.

ARTICLE XVI – MISCELLEANEOUS

16.1 Entire Agreement. This Agreement and all of the documents referenced herein or related hereto (and as any of the aforementioned documents have been or may be amended, extended or modified) embody the entire agreement between the parties relating to the transactions contemplated under this Agreement and all agreements, representations or understanding, whether oral or written, that are prior or contemporaneous to this Agreement are superseded by this Agreement.

16.2 Amendment. No amendment, modification or waiver of any provision of this Agreement, nor consent to any departure by a party from any provision of this Agreement shall in any event be effective unless it is in writing and signed by each of the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which it is given by the respective party.

16.3 No Vested Rights Granted. Except as provided by law, or as expressly provided in this Agreement, no vested rights in connection with the Project shall inure to Developer nor does the City warrant by this Agreement that Developer is entitled to any required approvals, permits or the like with regard to the Project.

16.4 Invalid Provisions. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

16.5 Headings. The article and section headings of this Agreement are inserted for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

16.6 No Waiver; Remedies. No failure on the part of the City to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

16.7 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the named parties hereto and their permitted assignees, and nothing contained in this Agreement shall confer upon anyone other than such parties any right to insist upon or enforce the performance or observance of any of the obligations contained in this Agreement.

16.8 No Joint Venture. The City is not a partner, agent or joint venture of or with Developer.

16.9 Recording of a Memorandum of this Agreement Permitted. A memorandum of this Agreement may be recorded by the City on the Property and any or all of the Property in the office of the Register of Deeds for Sheboygan County, Wisconsin, and, upon request of the City, Developer shall execute and deliver to the City a memorandum of this Agreement for recording purposes.

16.10 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Agreement by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, strike, lockout, supply shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God, such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than ninety (90) calendar days unless agreed to in writing by the parties hereto. Notwithstanding any provision herein to the contrary, the City, in its sole and absolute discretion, may allow up to a six (6) month extension on the deadlines set forth in Section 1.1 and 2.2 above should reasonable delays occur as a result of environmental remediation issues, supply chain issues or material cost increases. Any such approved delay by the City will be evidenced in writing and provided to Developer, and without any written evidence approving such

delay, the other provisions of this Agreement shall control and the immediately preceding sentence shall not apply.

16.11 Immunity. Nothing contained in this Agreement constitutes a waiver of any immunity available to the City under applicable law.

16.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, it being understood that all parties need not sign the same counterpart. This Agreement may also be executed by remote electronic means, via DocuSign, Eversign, or similar platform. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes. Upon request by a party, the parties hereto shall provide a wet-ink, original signed version of this Agreement to such party for its records.

16.13 Recitals. The RECITALS set forth above are true, accurate and incorporated herein by reference.

[The remainder of this page is intentionally left blank with signature pages to follow.]



IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

Approved:

By: _____
Name: Evan Grossen, Deputy Finance Director/Comptroller

Approved as to Form:

By: _____
Name: Charles Adams, City Attorney

This document is authorized by and in accordance with Resolution No. 146 - 23 - 24 .

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this 22 day of February, 2024, the above named Ryan Sorenson, Meredith DeBruin, Evan Grossen and Charles Adams, the City Mayor, the City Clerk, the Deputy Finance Director/Comptroller and the City Attorney of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

MARIE M. FOSS NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public, Wisconsin
My commission 1-8-2026

EXECUTION VERSION

DEVELOPER: MALIBU APARTMENTS, LLC

By: _____
Name: Jacob Buswell, Partner

STATE OF WISCONSIN)
) I
Monroe COUNTY)

Personally came before me this 29th day of February, 2024, the above named Jacob Buswell, a Partner of Malibu Apartments, LLC to me known to be the person who executed the foregoing instrument and acknowledged the same.

LORA HEROLD
Notary Public
State of Wisconsin

_____
Notary Public, Wisconsin
My commission expires 02/05/2026

ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE III OF THIS AGREEMENT AND I AGREE THAT SUCH GUARANTY IS DONE IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTORS:

_____
Jacob Buswell

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Jacob Buswell, has agreed to personally guarantee obligations under this Agreement to the City. I consent to this act by my spouse and acknowledge that such act was done in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

_____
Mary Elizabeth Buswell, Spouse of Jacob Buswell

EXHIBIT A

Property

PARCEL A:
Parcel A of Certified Survey Map recorded in the office of the Register of Deeds for Sheboygan County, Wisconsin, on July 14, 2006 in Volume 22 of Certified Survey Maps, at Page 165, as Document No. 1803252, being part of a parcel of land being part of Lots 1 thru 6 inclusive in Block 1 of the Southside Land Company Addition to the City of Sheboygan, Also being all of Block 1 and a part of Lots 1 thru 6 in Block 292 of the Original Plat of the City of Sheboygan, including the vacated alley adjoining, located in Section 26, Township 15 North, Range 23 East, in the City of Sheboygan, County of Sheboygan, State of Wisconsin.

PARCEL B:
The North 50 feet of Lots 5 and 6, Block 292 of the Original Plat of the City of Sheboygan, according to the recording plat thereof, in the City of Sheboygan, County of Sheboygan, State of Wisconsin.

For informational purposes only:
Property Address: Situated on South 7th Street, Sheboygan, WI 53081
Tax Key Number: 59281318390 (Parcel A) and 59281303390 (Parcel B)

EXHIBIT B

Offer

[SEE ATTACHED]

Approved by the Wisconsin Real Estate Examining Board
1/1/2021 (Optional Use Date) 2/1/2021 (Mandatory Use Date)

Forest Green Realty
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WB-13 VACANT LAND OFFER TO PURCHASE

LICENSEE DRAFTING THIS OFFER ON October 26, 2023 **[DATE] IS (~~AGENT OF BUYER~~ ~~(AGENT OF SELLER/LISTING FIRM)~~ (AGENT OF BUYER AND SELLER)** [STRIKE THOSE NOT APPLICABLE]

The Buyer, Red Earth,LLC And/Or Assigns

offers to purchase the Property known as 1403-1435 S 7 St

Parcels 59281318390, 59281303390

[e.g., Street Address, Parcel Number(s), legal description, or insert additional description, if any, at lines 650-664, or attach as an addendum per line 686] in the City of Sheboygan, County of Sheboygan Wisconsin, on the following terms:

PURCHASE PRICE The purchase price is One Million, Twenty-Five Thousand Dollars ($ 1,025,000.00).

INCLUDED IN PURCHASE PRICE Included in purchase price is the Property, all Fixtures on the Property as of the date stated on line 1 of this Offer (unless excluded at lines 17-18), and the following additional items: none

Property is sold as is where is

NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included or not included. Annual crops are not part of the purchase price unless otherwise agreed.

NOT INCLUDED IN PURCHASE PRICE Not included in purchase price is Seller's personal property (unless included at lines 12-13) and the following: N/A

CAUTION: Identify Fixtures that are on the Property (see lines 21-25) to be excluded by Seller or that are rented and will continue to be owned by the lessor.

"Fixture" is defined as an item of property which is physically attached to or so closely associated with land so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the premises, items specifically adapted to the premises and items customarily treated as fixtures, including, but not limited to, all: perennial crops, garden bulbs; plants; shrubs and trees; fences; storage buildings on permanent foundations and docks/piers on permanent foundations.

CAUTION: Exclude any Fixtures to be retained by Seller or that are rented on lines 17-18 or at lines 650-664 or in an addendum per line 686.

BINDING ACCEPTANCE This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before November 10, 2023.

Seller may keep the Property on the market and accept secondary offers after binding acceptance of this Offer.

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

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

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

CLOSING This transaction is to be closed on 14 days upon waiver of contingencies at the place selected by Seller, unless otherwise agreed by the Parties in writing. If the date for closing falls on a Saturday, Sunday, or a federal or a state holiday, the closing date shall be the next Business Day.

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

EARNEST MONEY

■ EARNEST MONEY of $ _____ accompanies this Offer.

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

■ EARNEST MONEY of $ 20,000.00 will be ~~mailed, or commercially,~~ electronically or ~~personally delivered~~ within 3 biz days ("5" if left blank) after acceptance.

All earnest money shall be delivered to and held by (~~listing Firm~~) (~~drafting Firm~~) (other identified as Knight Barry Title Co, 201 E Pittsburgh, #200, Milwaukee, WI 53204) [STRIKE THOSE NOT APPLICABLE]

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

CAUTION: If a Firm does not hold earnest money, an escrow agreement should be drafted by the Parties or an attorney as lines 56-76 do not apply. If someone other than Buyer pays earnest money, consider a special disbursement agreement.

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

EXHIBIT B

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

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

TIME IS OF THE ESSENCE "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing; (5) contingency Deadlines STRIKE AS APPLICABLE and all other dates and Deadlines in this Offer except: none other _____. If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

~~**VACANT LAND DISCLOSURE REPORT** Wisconsin law requires owners of real property that does not include any buildings to provide Buyers with a Vacant Land Disclosure Report. Excluded from this requirement are sales exempt from the real estate transfer fee and sales by certain court appointed fiduciaries, for example, personal representatives, who have never occupied the Property. The form of the Report is found in Wis. Stat. § 709.033. The law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of a contract of sale . . ., to the prospective buyer of the property a completed copy of the report . . . A prospective buyer who does not receive a report within the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission rights if a Vacant Land Disclosure Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is submitted to Seller. Buyer should review the report form or consult with an attorney for additional information regarding rescission rights.~~

~~**PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge of Conditions Affecting the Property or Transaction (lines 101-181) other than those identified in Seller's Vacant Land Disclosure Report dated _____, which was received by Buyer prior to Buyer signing this Offer and that is made a part of this Offer by reference~~ COMPLETE DATE OR STRIKE AS APPLICABLE ~~and _____~~

~~_____~~

~~_____~~ INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE REPORT

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

~~a. Flooding, standing water, drainage problems, or other water problems on or affecting the Property.~~

~~b. Impact fees or another condition or occurrence that would significantly increase development costs or reduce the value of the property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.~~

~~c. Brownfields (abandoned, idled, or underused land that may be subject to environmental contamination) or other contaminated land on the property, or that contaminated soils on the property have been cleaned up under the Petroleum Environmental Cleanup Fund Act (PECFA), a Wisconsin Department of Natural Resources (DNR) remedial or cleanup program, the DATCP Agricultural Chemical Cleanup Program, or other similar program.~~

~~d. Subsoil conditions that would significantly increase the cost of development, including, but not limited to, subsurface foundations or waste material; any type of fill; dumpsites where pesticides, herbicides, fertilizer, or other toxic or hazardous materials or containers for these materials were disposed of in violation of manufacturer or government guidelines or other laws regulating such disposal; high groundwater; adverse soil conditions, such as low load-bearing capacity, earth or soil movement, settling, upheavals, or slides; excessive rocks or rock formations; or other soil problems.~~

~~e. Material violation of an environmental rule or other rule or agreement regulating the use of the Property.~~

~~f. Defects caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in~~

soil, or other potentially hazardous or toxic substances on the Property; manufacture of methamphetamine or other hazardous or toxic substances on the Property; or high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.

g. Defects caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances on neighboring properties.

h. The Property is served by a joint well; Defects related to a joint well serving the Property; or Defects in a well on the Property or in a well that serves the Property, including unsafe well water due to contaminants such as coliform, nitrates, or atrazine, or any out-of-service wells or cisterns that are required to be abandoned (see § NR 812.26, Wis. Adm. Code) but that are not closed or abandoned according to applicable regulations.

i. Defects in any septic system or other private sanitary disposal system on the Property; or any out-of-service septic system serving the Property not closed or abandoned according to applicable regulations.

j. Underground or aboveground fuel storage tanks presently or previously on the Property for storage of flammable or combustible liquids including, but not limited to, gasoline or heating oil; or Defects in the underground or aboveground fuel storage tanks on or previously located on the Property. Defects in underground or aboveground fuel storage tanks may include items such as abandoned tanks not closed in conformance with applicable local, state, and federal law; leaking; corrosion; or failure to meet operating standards. (The owner, by law, may have to register the tanks with the Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the tanks are in use or not. Department regulations may require closure or removal of unused tanks.)

k. Existing or abandoned manure storage facilities located on the property.

l. Notice of property tax increases, other than normal annual increases, or pending Property tax reassessment; remodeling that may increase the Property's assessed value; pending special assessments; or Property is within a special purpose district, such as a drainage district, that has authority to impose assessments on the Property.

m. Proposed, planned, or commenced public improvements or public construction projects that may result in special assessments or that may otherwise materially affect the Property or the present use of the Property; or any land division involving the Property without required state or local permits.

n. The Property is part of or subject to a subdivision homeowners' association; or the Property is not a condominium unit and there are common areas associated with the Property that are co-owned with others.

o. Any zoning code violations with respect to the Property; the Property or any portion thereof is located in a floodplain, wetland or shoreland zoning area under local, state or federal regulations; or the Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related to county shoreland zoning ordinances, that obligates the Property owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county.

p. Nonconforming uses of the Property (a nonconforming use is a use of land that existed lawfully before the current zoning ordinance was enacted or amended, but that does not conform to the use restrictions in the current ordinance); conservation easements (a conservation easement is a legal agreement in which a property owner conveys some of the rights associated with ownership of his or her property to an easement holder such as a governmental unit or a qualified nonprofit organization to protect the natural habitat of fish, wildlife, or plants or a similar ecosystem, preserve areas for outdoor recreation or education, or for similar purposes); restrictive covenants or deed restrictions on the Property; or, other than public rights-of-way, nonowners having rights to use part of the Property, including, but not limited to, private rights of way and easements other than recorded utility easements.

q. All or part of the Property has been assessed as agricultural land; has been assessed a use value assessment conversion charge; or payment of a use value assessment conversion charge has been deferred.

r. All or part of the Property is subject to, enrolled in, or in violation of a farmland preservation agreement, Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program.

s. A dam is totally or partially located on the Property; or an ownership interest in a dam not located on the Property will be transferred with the Property because the dam is owned collectively by a homeowners' association, lake district, or similar group of which the Property owner is a member.

t. No legal access to the Property; or boundary or lot line disputes, encroachments or encumbrances (including a joint driveway) affecting the Property. Encroachments often involve some type of physical object belonging to one person but partially located on or overlapping on land belonging to another; such as, without limitation, fences, houses, garages, driveways, gardens, and landscaping. Encumbrances include, without limitation, a right or claim of another to a portion of the Property or to the use of the Property such as a joint driveway, liens, and licenses.

u. Government agency, court order, or federal, state, or local regulations requiring repair, alteration or correction of an existing condition.

v. A pier attached to the Property not in compliance with state or local pier regulations; a written agreement affecting riparian rights related to the Property; or the bed of the abutting navigable waterway is owned by a hydroelectric operator.

w. Material damage from fire, wind, flood, earthquake, expansive soil, erosion, or landslide.

x. Significant odor, noise, water diversion, water intrusion, or other irritants emanating from neighboring property.

y. Significant crop damage from disease, insects, soil contamination, wildlife, or other causes; diseased or dying trees or shrubs; or substantial injuries or disease in livestock on the Property or neighboring property.

z. Animal, reptile, or other insect infestations; drainage easement or grading problems; excessive sliding; or any other Defect or material condition.

~~aa. Archeological artifacts, mineral rights, orchards, or endangered species, or one or more burial sites on the Property.~~
~~bb. Owner is a foreign person as defined in the Foreign Investment in Real Property Tax Act in 26 IRC § 1445(f).~~
~~cc. Other Defects affecting the Property such as any agreements that bind subsequent owners of the property, such as a lease agreement or an extension of credit from an electric cooperative.~~

N/A **GOVERNMENT PROGRAMS:** Seller shall deliver to Buyer, within _____ days ("15" if left blank) after acceptance of this Offer, a list of all federal, state, county, and local conservation, farmland, environmental, or other land use programs, agreements, restrictions, or conservation easements, which apply to any part of the Property (e.g., farmland preservation agreements, farmland preservation or exclusive agricultural zoning, use value assessments, Forest Crop, Managed Forest, Conservation Reserve Program, wetland mitigation, shoreland zoning mitigation plan or comparable programs), along with disclosure of any penalties, fees, withdrawal charges, or payback obligations pending, or currently deferred, if any. This contingency will be deemed satisfied unless Buyer delivers to Seller, within 7 days after the deadline for delivery, a notice terminating this Offer based upon the use restrictions, program requirements, and/or amount of any penalty, fee, charge, or payback obligation.

CAUTION: If Buyer does not terminate this Offer, Buyer is hereby agreeing that Buyer will continue in such programs, as may apply, and Buyer agrees to reimburse Seller should Buyer fail to continue any such program such that Seller incurs any costs, penalties, damages, or fees that are imposed because the program is not continued after sale. The Parties agree this provision survives closing.

MANAGED FOREST LAND: If all, or part, of the Property is managed forest land under the Managed Forest Law (MFL) program, this designation will continue after closing. Buyer is advised as follows: The MFL is a landowner incentive program that encourages sustainable forestry on private woodlands by reducing and deferring property taxes. Orders designating lands as managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the MFL program changes, the new owner must sign and file a report of the change of ownership on a form provided by the Department of Natural Resources and pay a fee. By filing this form, the new owner agrees to the associated MFL management plan and the MFL program rules. The DNR Division of Forestry monitors forest management plan compliance. Changes a landowner makes to property that is subject to an order designating it as managed forest land, or to its use, may jeopardize benefits under the program or may cause the property to be withdrawn from the program and may result in the assessment of penalties. For more information call the local DNR forester or visit https://dnr.wisconsin.gov/topic/forestry .

USE VALUE ASSESSMENTS: The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non-agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. To obtain more information about the use value law or conversion charge, contact the Wisconsin Department of Revenue's Equalization Bureau or visit http://www.revenue.wi.gov/ .

FARMLAND PRESERVATION: The early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the per acre value of the land. Contact the Wisconsin Department of Agriculture, Trade and Consumer Protection Division of Agricultural Resource Management or visit http://www.datcp.state.wi.us/ for more information.

CONSERVATION RESERVE PROGRAM (CRP): The CRP encourages farmers, through contracts with the U.S. Department of Agriculture, to stop growing crops on highly erodible or environmentally sensitive land and instead to plant a protective cover of grass or trees. CRP contracts run for 10 to 15 years, and owners receive an annual rent as well as certain incentive payments and cost share assistance for establishing long-term, resource-conserving ground cover. Removing lands from the CRP in breach of a contract can be quite costly. For more information call the state Farm Service Agency office or visit http://www.fsa.usda.gov/ .

SHORELAND ZONING ORDINANCES: All counties must adopt uniform shoreland zoning ordinances in compliance with Wis. Admin. Code Chapter NR 115. County shoreland zoning ordinances apply to all unincorporated land within 1,000 feet of a navigable lake, pond or flowage or within 300 feet of a navigable river or stream and establish minimum standards for building setbacks and height limits, cutting trees and shrubs, lot sizes, water runoff, impervious surface standards (that may be exceeded if a mitigation plan is adopted and recorded) and repairs to nonconforming structures. Buyers must conform to any existing mitigation plans. For more information call the county zoning office or visit https://dnr.wi.gov/ . Buyer is advised to check with the applicable city, town or village for additional shoreland zoning or shoreland-wetland zoning restrictions, if any.

FENCES: Wis. Stat. § 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal shares where one or both of the properties is used and occupied for farming or grazing purposes.

CAUTION: Consider an agreement addressing responsibility for fences if Property or adjoining land is used and occupied for farming or grazing purposes.

PROPERTY DEVELOPMENT WARNING: If Buyer contemplates developing Property for a use other than the current use, there are a variety of issues that should be addressed to ensure the development or new use is feasible. Buyer is solely responsible to verify the current zoning allows for the proposed use of the Property at lines 251-255. Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should be reviewed. Building permits, zoning or zoning variances, Architectural Control Committee approvals, estimates for utility hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits, subsoil tests, or other development related fees may need to be obtained or verified in order to determine the feasibility of development of, or a particular use for, a property. Optional contingencies that allow Buyer to investigate certain of these issues can be found at lines 244-304 and Buyer may add contingencies as needed in addenda (see line 686).

Buyer should review any plans for development or use changes to determine what issues should be addressed in these contingencies.

PROPOSED USE CONTINGENCIES: This Offer is contingent upon Buyer obtaining, at Buyer's expense, the reports or documentation required by any optional provisions checked on lines 256-281 below. The optional provisions checked on lines 256-281 shall be deemed satisfied unless Buyer, within 60 days ("30" if left blank) after acceptance, delivers: (1) written notice to Seller specifying those optional provisions checked below that cannot be satisfied and (2) written evidence substantiating why each specific provision referred to in Buyer's notice cannot be satisfied. Upon delivery of Buyer's notice, this Offer shall be null and void. Seller agrees to cooperate with Buyer as necessary to satisfy the contingency provisions checked at lines 256-281.

Proposed Use: Buyer is purchasing the Property for the purpose of: Multi Family Development subject to Wisconsin Department of Natural Resources (WDNR) and City of Sheboygan receptive to initial conceptual site plan **[insert proposed use and type or style of building(s), size and proposed building location(s), if a requirement of Buyer's condition to purchase, e.g.1400-1600 sq. ft. three-bedroom single family ranch home in northwest corner of lot].**

☐ **ZONING:** Verification of zoning and that the Property's zoning allows Buyer's proposed use described at lines 251-255.

☐ **SUBSOILS:** Written evidence from a qualified soils expert that the Property is free of any subsoil condition that would make the proposed use described at lines 251-255 impossible or significantly increase the costs of such development.

☐ **PRIVATE ONSITE WASTEWATER TREATMENT SYSTEM (POWTS) SUITABILITY:** Written evidence from a certified soils tester that: (a) the soils at the Property locations selected by Buyer, and (b) all other conditions that must be approved, meet the legal requirements in effect on the date of this Offer to obtain a permit for a POWTS for use of the Property as stated on lines 251-255. The POWTS (septic system) allowed by the written evidence must be one of the following POWTS that is approved by the State for use with the type of property identified at lines 251-255 [CHECK ALL THAT APPLY] ☐ conventional in-ground; ☐ mound; ☐ at grade; ☐ in-ground pressure distribution; ☐ holding tank; ☐ other: _____.

☐ **EASEMENTS AND RESTRICTIONS:** Copies of all public and private easements, covenants and restrictions affecting the Property and a written determination by a qualified independent third party that none of these prohibit or significantly delay or increase the costs of the proposed use or development identified at lines 251-255.

☐ **APPROVALS/PERMITS:** Permits, approvals and licenses, as appropriate, or the final discretionary action by the granting authority prior to the issuance of such permits or building permit, approvals and licenses, for the following items related to Buyer's proposed use: _____

☐ **UTILITIES:** Written verification of the location of the following utility service connections (e.g., on the Property, at the lot line, across the street, etc.) [CHECK AND COMPLETE AS APPLICABLE]:

☐ electricity _____; ☐ gas _____; ☐ sewer _____;
☐ water _____; ☐ telephone _____; ☐ cable _____;
☐ other _____.

☐ **ACCESS TO PROPERTY:** Written verification that there is legal vehicular access to the Property from public roads.

☐ **LAND USE APPROVAL/PERMITS:** This Offer is contingent upon (Buyer)(Seller) [STRIKE ONE] ("Buyer" if neither stricken) obtaining the following, including all costs: a [CHECK ALL THAT APPLY] ☐ rezoning; ☐ conditional use permit; ☐ variance; ☐ other _____ for the Property for its proposed use described at lines 251-255. Seller agrees to cooperate with Buyer as necessary to satisfy this contingency. Buyer shall deliver, within _____ days of acceptance, written notice to Seller if any item cannot be obtained, in which case this Offer shall be null and void.

[x] **MAP OF THE PROPERTY:** ~~This Offer is contingent upon (Buyer obtaining) (Seller providing)~~ [STRIKE ONE] ~~("Seller providing" if neither is stricken) a Map of the Property dated subsequent to the date of acceptance of this Offer prepared by a registered land surveyor, within _____ days ("30" if left blank) after acceptance, at (Buyer's) (Seller's)~~ [STRIKE ONE] ~~("Seller's" if neither is stricken) expense. The map shall show minimum of _____ acres, maximum of _____ acres, the legal description of the Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements, if any, and:~~ Seller is providing a current ALTA Survey and Certified Survey Map as part of Seller Documents in Seller possession. Any updated surveys are at Buyer expense [STRIKE AND COMPLETE AS APPLICABLE] Additional map features that may be added include but are not limited to: staking of all corners of the Property; identifying dedicated and apparent streets; lot dimensions; total acreage or square footage; easements or rights-of-way.

CAUTION: Consider the cost and the need for map features before selecting them. Also consider the time required to obtain the map when setting the deadline.

This contingency shall be deemed satisfied unless Buyer, within 5 days after the deadline for delivery of said map, delivers to Seller a copy of the map and a written notice which identifies: (1) the significant encroachment; (2) information materially inconsistent with prior representations; or (3) failure to meet requirements stated within this contingency. Upon delivery of Buyer's notice, this Offer shall be null and void. Once the deadline for delivery has passed, if Seller was responsible to

provide the map and failed to timely deliver the map to Buyer, Buyer may terminate this Offer if Buyer delivers a written notice of termination to Seller prior to Buyer's Actual Receipt of said map from Seller.

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

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

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

[X] **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 305-319).

(1) This Offer is contingent upon a qualified independent inspector conducting an inspection of the Property after the date on line 1 of this Offer that discloses no Defects.

(2) This Offer is further contingent upon a qualified independent inspector or independent qualified third party performing an inspection of _____ _____ (list any Property component(s) to be separately inspected, e.g., dumpsite, timber quality, invasive species, etc.) that discloses no Defects.

(3) Buyer may have follow-up inspections recommended in a written report resulting from an authorized inspection, provided they occur prior to the Deadline specified at line 333. Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

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

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

This contingency shall be deemed satisfied unless Buyer, within 180 days ("15" if left blank) after acceptance, delivers to Seller a copy of the written inspection report(s) dated after the date on line 1 of this Offer and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice of Defects).

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

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

NOTE: "Defect" as defined on lines 553-555 means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

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

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

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

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

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

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

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

(2) Seller has the right to cure but:

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

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

IF LINE 355 IS NOT MARKED OR IS MARKED N/A LINES 403-414 APPLY.

[N/A] **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written _____ [loan type or specific lender, if any] first mortgage loan commitment as described below, within _____ days after acceptance of this Offer. The financing selected shall be in an amount of not less than $ _____ for a term of not less than _____ years, amortized over not less than _____ years. Initial monthly payments of principal and interest shall not exceed $ _____. Buyer acknowledges that lender's required monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage shall not include a prepayment premium. Buyer agrees to pay discount points in an amount not to exceed _____ % ("0" if left blank) of the loan. If Buyer is using multiple loan

sources or obtaining a construction loan or land contract financing, describe at lines 650-664 or in an addendum attached per line 686. Buyer agrees to pay all customary loan and closing costs, wire fees, and loan origination fees, to promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. Seller agrees to allow lender's appraiser access to the Property.

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

CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 371 or 372.

☐ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____%.

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

■ SATISFACTION OF FINANCING COMMITMENT CONTINGENCY: If Buyer qualifies for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of a written loan commitment. This contingency shall be satisfied if, after Buyer's review, Buyer delivers to Seller a copy of a written loan commitment (even if subject to conditions) that is:

(1) signed by Buyer; or

(2) accompanied by Buyer's written direction for delivery.

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

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

■ SELLER TERMINATION RIGHTS: If Buyer does not deliver a loan commitment on or before the Deadline on line 357, Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of written loan commitment from Buyer.

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

[N/A] **SELLER FINANCING:** Seller shall have 10 days after the earlier of:

(1) Buyer delivery of written notice of evidence of unavailability as noted in lines 391-394; or

(2) the Deadline for delivery of the loan commitment on line 357,

to deliver to Buyer written notice of Seller's decision to (finance this transaction with a note and mortgage under the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, the option for Seller to provide financing shall be considered waived. Buyer agrees to cooperate with and authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

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

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

(2) _____

_____ [Specify documentation Buyer agrees to deliver to Seller].

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

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

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

■ **RIGHT TO CURE:** Seller (shall)(~~shall not~~) [STRIKE ONE] ("shall" if neither is stricken) have the right to cure. If Seller has the right to cure, Seller may satisfy this contingency by delivering written notice to Buyer adjusting the purchase price to the value shown on the appraisal report within _____ days ("5" if left blank) after Buyer's delivery of the appraisal

report and the notice objecting to the appraised value. Seller and Buyer agree to promptly execute an amendment initiated by either party after delivery of Seller's notice, solely to reflect the adjusted purchase price. This Offer shall be null and void if Buyer makes timely delivery of the notice objecting to appraised value and the written appraisal report and:

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

(2) Seller has the right to cure but:

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

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

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

[N/A] **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's property located at _____ no later than _____ (the Deadline). If closing does not occur by the Deadline, this Offer shall become null and void unless Buyer delivers to Seller, on or before the Deadline, reasonable written verification from a financial institution or third party in control of Buyer's funds that Buyer has, at the time of verification, sufficient funds to close or proof of bridge loan financing, along with a written notice waiving this contingency. Delivery of verification or proof of bridge loan shall not extend the closing date for this Offer.

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

(1) Written waiver of the Closing of Buyer's Property Contingency if line 435 is marked;

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

(3) Any of the following checked below:

[ ] Proof of bridge loan financing.

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

Other: _____

_____

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

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

HOMEOWNERS ASSOCIATION If this Property is subject to a homeowners association, Buyer is aware the Property may be subject to periodic association fees after closing and one-time fees resulting from transfer of the Property. Any one-time fees resulting from transfer of the Property shall be paid at closing by (Seller) (Buyer) [STRIKE ONE] ("Buyer" if neither is stricken).

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

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

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

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

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

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

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

[ ] _____.

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

[ ] Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5

days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate Firms in this transaction.

TITLE EVIDENCE

■ CONVEYANCE OF TITLE: **Upon payment of the purchase price, Seller shall convey the Property by warranty deed (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as provided herein)**, free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Vacant Land Disclosure Report and in this Offer, general taxes levied in the year of closing and any other matters that Buyer objects to and Seller does not agree to cure _____ (insert other allowable exceptions from title, if any) that constitutes merchantable title for purposes of this transaction. Seller, at Seller's cost, shall complete and execute the documents necessary to record the conveyance and pay the Wisconsin Real Estate Transfer Fee.

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

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

■ GAP ENDORSEMENT: Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's) STRIKE ONE ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the commitment date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy conditions, exclusions and exceptions, provided the title company will issue the coverage. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 516-523).

■ DELIVERY OF MERCHANTABLE TITLE: The required title insurance commitment shall be delivered to Buyer's attorney or Buyer not more than 14biz days after acceptance ("15" if left blank), showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 489-498, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate.

■ TITLE NOT ACCEPTABLE FOR CLOSING: If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title within 20 days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller shall have 3biz days ("15" if left blank) from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for closing. If Seller is unable to remove said objections, Buyer shall have five days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

■ SPECIAL ASSESSMENTS/OTHER EXPENSES: Special assessments, if any, levied or for work actually commenced prior to the date stated on line 1 of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer. "Levied" means the local municipal governing body has adopted and published a final resolution describing the planned improvements and the assessment of benefits.

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

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

_____

_____. Insert additional terms, if any, at lines 650-664 or attach as an addendum per line 686.

DEFINITIONS

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

■ BUSINESS DAY: "Business Day" means a calendar day other than Saturday, Sunday, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive

registered mail or make regular deliveries on that day.

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

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

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

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

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

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

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

CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land dimensions, if material.

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

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

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

BUYER'S PRE-CLOSING WALK-THROUGH Within three days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any Defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

OCCUPANCY Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines 534-538 or in an addendum attached per line 686, or lines 650-664 if the Property is leased. At time of Buyer's occupancy, Property shall be free of all debris, refuse, and personal property except for personal property belonging to current tenants, or sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

DEFAULT Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material failure to perform any obligation under this Offer is a default that may subject the defaulting party to liability for damages or other legal remedies.

If Buyer defaults, Seller may:

(1) sue for specific performance and request the earnest money as partial payment of the purchase price; or

(2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual damages.

If Seller defaults, Buyer may:

~~(1) sue for specific performance; or~~

(2) terminate the Offer and request the return of the earnest money~~, sue for actual damages, or both.~~

~~In addition, the Parties may seek any other remedies available in law or equity.~~ The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement.

NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS DOCUMENT CAREFULLY. THE FIRM AND ITS AGENTS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.

ENTIRE CONTRACT This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of the Parties to this Offer and their successors in interest.

NOTICE ABOUT SEX OFFENDER REGISTRY You may obtain information about the sex offender registry and persons registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at http://www.doc.wi.gov or by telephone at (608) 240-5830.

FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA) Section 1445 of the Internal Revenue Code (IRC) provides that a transferee (Buyer) of a United States real property interest must pay or withhold as a tax up to 15% of the total "Amount Realized" in the sale if the transferor (Seller) is a "Foreign Person" and no exception from FIRPTA withholding applies. A "Foreign Person" is a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, or foreign estate. The "Amount Realized" is the sum of the cash paid, the fair market value of other property transferred, and the amount of any liability assumed by Buyer.

CAUTION: Under this law if Seller is a Foreign Person, and Buyer does not pay or withhold the tax amount, Buyer may be held directly liable by the U.S. Internal Revenue Service for the unpaid tax and a tax lien may be placed upon the Property.

Seller hereby represents that Seller is a non-Foreign Person, unless (1) Seller represents Seller is a Foreign Person in a condition report incorporated in this Offer per lines 94-97, or (2) no later than 10 days after acceptance, Seller delivers notice to Buyer that Seller is a Foreign Person, in which cases the provisions on lines 637-639 apply.

IF SELLER IS A NON-FOREIGN PERSON. Seller shall, no later than closing, execute and deliver to Buyer, or a qualified substitute (attorney or title company as stated in IRC § 1445), a sworn certification under penalties of perjury of Seller's non-foreign status in accordance with IRC § 1445. If Seller fails to timely deliver certification of Seller's non-foreign status, Buyer shall: (1) withhold the amount required to be withheld pursuant to IRC § 1445; or, (2) declare Seller in default of this Offer and proceed under lines 601-608.

IF SELLER IS A FOREIGN PERSON. If Seller has represented that Seller is a Foreign Person, Buyer shall withhold the amount required to be withheld pursuant to IRC § 1445 at closing unless the Parties have amended this Offer regarding amounts to be withheld, any withholding exemption to be applied, or other resolution of this provision.

COMPLIANCE WITH FIRPTA. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement needed to comply with FIRPTA, including withholding forms. If withholding is required under IRC §1445, and the net proceeds due Seller are not sufficient to satisfy the withholding required in this transaction, Seller shall deliver to Buyer, at closing, the additional funds necessary to satisfy the applicable withholding requirement. Seller also shall pay to Buyer an amount not to exceed $1,000 for actual costs associated with the filing and administration of forms, affidavits, and certificates necessary for FIRPTA withholding and any withholding agent fees.

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

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

ADDITIONAL PROVISIONS/CONTINGENCIES Buyer is aware that Seller is a licensed real estate broker in the State of WI.

Buyer acknowledges that no property condition report is provided as property is being sold as is where is.

Seller is providing a list of documents in seller possession including a shared link as part of the Offer to Purchase.

Buyer agrees that no other real estate brokerage firm is involved in this transaction other than EC Commercial Real Estate.

See attached rider to Offer to Purchase for further Buyer contingencies.

Property Address: 1403-1435 S 7 St, Sheboygan, WI 53081 Page 12 of 12, WB-13

DELIVERY OF DOCUMENTS AND WRITTEN NOTICES: Unless otherwise stated in this Offer, delivery of documents and written notices to a Party shall be effective only when accomplished by one of the authorized methods specified at lines 668-683.

(1) Personal: giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at line 670 or 671.

Name of Seller's recipient for delivery, if any: _____

Name of Buyer's recipient for delivery, if any: _____

[ ] (2) Fax: fax transmission of the document or written notice to the following number:

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

[ ] (3) Commercial: depositing the document or written notice, fees prepaid or charged to an account, with a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's address at line 679 or 680.

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

Address for Seller: _____

Address for Buyer: _____

[x] (5) Email: electronically transmitting the document or written notice to the email address.

Email Address for Seller: ahurst@ener-con.com;paulanne@eccommercial.net

Email Address for Buyer: jake.buswell@allamericandoitcenter.com;paulanne@eccommercial.net

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

[X] ADDENDA: The attached Rider and Seller Document List/Link is/are made part of this Offer.

This Offer was drafted by [Licensee and Firm] Paulanne Phillips, EC Commercial Real Estate

(x) Jacob R. Buswell Jacob Buswell 11/7/2023
Buyer's Signature ▲ Print Name Here ▸ Red Earth, LLC And/Or Assigns Date ▲

(x) _____
Buyer's Signature ▲ Print Name Here ▸ Date ▲

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

(x) _____ 11.7.23
Seller's Signature ▲ Print Name Here ▸ Sheboygan Lakeview Property, LLC Date ▲

(x) Michael Dilworth, Member
Seller's Signature ▲ Print Name Here ▸ Date ▲

This Offer was presented to Seller by [Licensee and Firm] Paulanne Phillips

EC Commercial Real Estate on November 7, 2023 at 2:00 a.m./(p.m.)

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

RIDER TO OFFER TO PURCHASE
dated October 26, 2023

The following terms and conditions shall be deemed to be a part of the foregoing attached WB-13 Vacant Land Offer to Purchase between Red Earth, LLC, a Wisconsin limited liability company ("Buyer") and Sheboygan Lakeview Property, LLC, a Wisconsin limited liability company ("Seller") dated October 26, 2023 ("Offer") for the real estate described in the Offer ("Property"). The terms of this Rider shall supersede any conflicting provisions in the Offer. Buyer is aware that the Property is being sold in as is condition. The Offer and this Rider are collectively referred to herein as the "Agreement".

1. Contingencies: Buyer's and Seller's obligation to conclude this transaction shall be contingent upon the following:

   A. Buyer's Inspection/Review Period: Buyer shall have one hundred eighty days (180) days after Seller's acceptance of this Offer (such period being the "Inspection/Review Period") to review Seller Documents in Seller Possession provided as part of the Offer, to conduct physical inspections of the Property as permitted in this Rider and to obtain approvals deemed necessary by Buyer to allow the Buyer to use the Property for Buyer's intended use, which includes but is not limited to agreeing to the terms of a development agreement. Buyer shall have ninety (90) days after Seller's acceptance of this Agreement to present the initial conceptual site plan for multi-family development to the Wisconsin Department of Natural Resources (WDNR) and the City of Sheboygan to obtain written confirmation (which may be via letter and/or e-mail communications with the WDNR and City of Sheboygan) if both parties are initially receptive to the initial conceptual plan (such period being the "Initial Reception Period"). If Buyer is unable to obtain approvals during the Initial Reception Period or is dissatisfied with the Property for any reason whatsoever during the Inspection/Review Period, Buyer may terminate this Agreement by giving written notice of termination to Seller at any time prior to expiration of the Initial Reception Period or Inspection/Review Period, as applicable. If Buyer so timely terminates this Agreement, as applicable, Knight Barry Title Company ("Title Company") shall return all refundable earnest money to Buyer in accordance with the terms of Section II(B) of this Rider.

   Buyer shall have two (2) options to extend the Inspection/Review Period, each for a ninety (90) day period upon written notice to Seller within five (5) days of expiration of the Inspection/Review Period, as may have been timely extended, for municipal approval of Buyer's planned development of the Property and additional investigation of issues that arise from the permitted physical and environmental inspections. At the time Buyer exercises its first extension option, Ten Thousand and 00/100 Dollars ($10,000.00) of the initial Earnest Money deposit will become nonrefundable and shall be payable to Seller upon Buyer's default of this Agreement. At the time Buyer exercises its second extension option, all of Buyer's inspection contingencies shall be waived and Buyer's extension shall only relate to Buyer securing municipal approval of Buyer's planned development of the Property. Further, Buyer shall deposit with Title Company an additional Twenty Thousand and 00/100 Dollars ($20,000.00) (the "Additional Earnest Money") at the time of Buyer's exercise of its second extension option. The Additional Earnest Money shall be nonrefundable and shall be payable to Seller upon Buyer's default of this Agreement. A total of $30,000.00 of Earnest Money will be nonrefundable but shall be applied to the Purchase Price at closing.

   B. ALTA Survey/Certified Survey Map: Seller has provided the existing ALTA Survey and

Certified Survey Map that Seller has in its possession. Buyer, at Buyer's sole expense, may obtain an updated ALTA Survey and Certified Survey Map (either individually or together being the "Survey") of the Property prepared by a certified Wisconsin surveyor within thirty (30) days of full and mutual execution of the Agreement (the "Survey Period").

C. **Title and Survey Objections**: Buyer's right to object to matters of title and Survey, respectively, shall expire within twenty (20) days after the later to occur of (i) receipt from Seller of the title commitment, or (ii) Buyer's receipt of the Survey (provided Buyer's right to object to matters of title and Survey shall in no event extend passed twenty (20) days after expiration of the Survey Period), as applicable. If Seller is unable or unwilling to remove any objections Buyer has with respect to the title commitment or Survey, Seller shall notify Buyer in writing ("Seller's Notice") within three (3) business days after Seller's receipt of Buyer's notice of objections, which objections Seller is unwilling or unable to remove. If Seller fails to deliver Seller's Notice within such three (3) business day period, Seller shall be deemed to have not agreed to cure any of Buyer's objections. Buyer shall elect, in writing within three (3) business days thereafter, either to: (i) terminate and cancel the Agreement, in which case all Earnest Money (less $100) shall be returned to Buyer and, except as set forth in this Agreement, neither party shall have further obligations hereunder; or (ii) waive the title objections and proceed to closing. If Buyer fails to make an election as set forth above, the parties shall proceed to closing.

Contingencies Waived or Satisfied:

If Buyer does not provide Seller written notice of any objection or termination of the Agreement within the respective contingency timeline, such contingency shall automatically be deemed waived and satisfied.

II. Additional Provisions:

A. **Access to Property:**
Buyer shall provide Seller with at least twelve (12) hour written notice with full description for Seller approval of the inspections that Buyer or Buyer's agents, employees or independent contractors desire to conduct on the Property. Upon Seller authorizing such inspections in writing, Buyer shall have access to the Property for the purpose of completing approved inspections at Buyer's sole cost. Notwithstanding anything to the contrary, in no event shall Buyer perform any invasive testing or Phase II Site Assessment on the Property without Seller's prior written consent. Buyer shall keep confidential any information disclosed in its investigations and testing, (i) except to the extent required by law, (ii) unless Seller requests the same from Buyer in writing (which Buyer shall thereafter promptly provide), and (iii) except to allow Buyer to share any findings with its professional contractors and City of Sheboygan staff to create a site mitigation/material management/capping plan, and this obligation shall survive termination of this Agreement. Buyer shall not permit any liens to attach to the Property by reason of such activities. Buyer or Buyer's contractors shall maintain liability insurance for all such activities on the Property, which shall name Seller as an additional insured party. Any material damage to the Property caused by Buyer or its agents shall be repaired as directed by Seller, and the Property shall be restored to substantially the condition existing prior to Buyer's due diligence activities at the sole cost and expense of Buyer. Buyer agrees to indemnify and hold Seller harmless from and against any and all claims or liability arising from Buyer's due diligence activities, which indemnity shall survive closing or termination of this Agreement, except that such indemnification shall not apply to claims and liabilities related to Property conditions discovered during performance of said due diligence activities that Buyer does not exacerbate.

B. **Earnest Money Escrow Payment:**
Buyer shall deliver to Title Company any and all earnest money deposits made required in the Agreement via wire transfer. Title Company shall provide instructions for Buyer's wiring earnest money upon binding acceptance.

Title Company shall hold and disburse these funds in accordance with the terms of the Agreement, and shall rely upon a good faith decision based upon advice of an attorney not representing any party to the Agreement. In addition, in the event of a dispute and Title Company's inability to comply with any of the foregoing provisions for payment, Title Company may deposit the funds into the Circuit Court for Sheboygan County where the Property is located, and thereafter be relieved from responsibility. On any disbursement to which the Buyer and Seller do not agree, Title Company shall send written notice to all parties of the intent to disburse. The notice shall state to whom, the amount and when the disbursement will be made, and the disbursement shall not occur until at least ten (10) days after mailing the notice.

Title Company shall not be liable for any acts or omissions performed in good faith pursuant to this Agreement. Also, the undersigned parties shall hold Title Company harmless from all reasonable actions taken in accordance with this Agreement and agree to share all out-of-pocket expenses incurred by Title Company, which may arise out of this Agreement.

C. **Reserved.**

D. **Section 1031:** Either party may elect to assign this Agreement to a qualified Intermediary or third party to complete a like kind exchange of property in accordance with Section 1031 of the Internal Revenue Code of 1987, as amended. The parties agree to cooperate with each other and/or a third party in a manner reasonably necessary to complete the exchange; provided, however, any such election shall be at no cost or liability to the other party. Should this Agreement become part of a Section 1031 transaction, the non-electing party may enforce any and all representations, warranties, covenants and other obligations of the electing party under this Agreement directly against the electing party.

D. **As-Is, Where-is Sale**: NOTWITHSTANDING ANYTHING IN THE AGREEMENT TO THE CONTRARY, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES IN ANY WAY RESPECTING THE PROPERTY, OTHER THAN THE LIMITED WARRANTY OF TITLE IN THE SPECIAL WARRANTY DEED BY WHICH CONVEYANCE OF THE PROPERTY SHALL BE MADE. NO PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, ORAL OR WRITTEN, HAVE BEEN MADE BY SELLER IN ANY WAY CONCERNING OR WITH RESPECT TO: (I) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, WATER, SOIL OR GEOLOGY; (II) THE COMPLIANCE OF THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY OR BODY; (III) THE PHYSICAL CONDITION OF THE BUILDING AND OTHER IMPROVEMENTS LOCATED ON THE PROPERTY OR ANY COMPONENT THEREOF; (IV) PRESENCE OR ABSENCE OF ANY FLOODPLAIN, WETLANDS OR ENVIRONMENTAL CORRIDOR; OR (V) COMPLIANCE OF THE PROPERTY WITH ANY ENVIRONMENTAL LAW. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT BUYER IS BEING GIVEN FULL AND AMPLE OPPORTUNITY TO INSPECT THE PROPERTY, AND TO HAVE

THE PROPERTY INSPECTED BY PROFESSIONAL CONSULTANTS OF BUYER'S CHOICE AND AT BUYER'S EXPENSE AND, TO THE EXTENT BUYER WAIVES THE CONTINGENCIES CONTAINED IN THE AGREEMENT, AND ELECTS TO PURCHASE THE PROPERTY, BUYER WILL BE DOING SO ENTIRELY IN RELIANCE UPON ITS OWN INVESTIGATIONS AND THOSE OF ITS PROFESSIONAL CONSULTANTS, AND NOT UPON ANY INFORMATION OR DOCUMENTS PROVIDED BY SELLER OR ANY PERSON, AGENT OR EMPLOYEE ACTING ON BEHALF OF SELLER, INCLUDING, WITHOUT LIMITATION, ANY PREVIOUSLY FURNISHED REAL ESTATE CONDITION REPORT, OR ANY OTHER DOCUMENTS PROVIDED BY SELLER TO BUYER CONCERNING THE PROPERY. BUYER ACKNOWLEDGES AND AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED UNDER LAW, THE SALE OF THE PROPERTY IS MADE ON AN "AS IS, WHERE IS, WITH ALL FAULTS" BASIS, AND THAT THE PURCHASE PRICE HAS BEEN NEGOTIATED TO REFLECT A SALE ON SUCH BASIS. THE AS-IS PROVISIONS OF THIS RIDER SHALL SURVIVE CLOSING AND BE INCLUDED IN THE DEED BY WHICH CONVEYANCE OF THE PROPERTY IS MADE. BUYER WAIVES ANY RIGHT TO ANY REAL ESTATE CONDITION REPORT, VACANT LAND DISCLOSURE REPORT OR SIMILAR DISCLOSURE FROM SELLER THAT MAY OTHERWISE BE REQUIRED BY WISCONSIN OR FEDERAL LAW.

F. Closing:

If Buyer does not terminate this Offer during an available contingency period, closing of the Purchase and sale of the Property, shall occur fourteen (14) days after Buyer waives or satisfies all of its contingencies set forth in this Offer. Buyer may, at its sole option, elect to close the purchase of the Property at any time prior to said date, upon fourteen (14) days prior written notice to Seller.

At Closing, Seller shall deliver to Buyer, in addition to other items referred to elsewhere in this Agreement to be delivered by Seller to Buyer, the following documents:

(a) Deed. The special warranty deed, duly executed and acknowledged in condition required by the Agreement;

(b) Owner's Affidavit. An Owner's Affidavit as to construction liens and possession, in a form acceptable to the Title Company, duly executed and acknowledged by Seller;

(c) Broker's Affidavit. A Broker's Affidavit as to real estate broker's fees and commission, in a form acceptable to the Title Company, duly exercised and acknowledged by Seller;

(d) Closing Statement. A closing statement setting forth a summary of the purchase price;

(e) Reserved.

(f) Evidence of Payment. Evidence of payment of all real estate taxes due and payable, if any, special assessments, water bills, sewer bills, and any other municipal and governmental levies that Seller is responsible for under this Agreement, and evidence that all utility charges and other expenses with regard to the Property are paid current or prorated through the date of closing;

(g) Transfer Declarations. All state, county, and local real property transfer declarations and returns;

(h) Payoff letters. Payoff letter or executed and recordable satisfactions for all mortgages, liens and judgments being satisfied as of the closing date that Seller is responsible for and agrees to cure under this Agreement (if applicable);

(i) Seller shall deliver to Buyer an assignment of all Seller's right, title and interest relating to the Property, including, but not limited to, any and all assignable leases, contracts, plans, certificates, licenses, developer rights, permits, authorizations and approvals, relating to the Property (collectively the "Assignment Rights"). Seller shall deliver to Buyer copies or originals, as applicable and in its possession, of all documentation relating to the Assignment Rights.

(j) Other Documents. Any other document reasonably required by the Title Company in order to issue the title policy to Buyer in accordance with Seller's obligations under this Agreement.

At Closing, Buyer shall deliver to Seller the following: (a) the Purchase Price in good and readily available funds via cash or wire; (b) a countersigned copy of the instrument conveying the Assignment Rights; (c) the closing statement; (d) evidence of payment of any invoices relating to Buyer's due diligence activities on the Property; and (e) any other document or affidavit reasonably required by Title Company to issue the title policy to Buyer and to close the transaction contemplated by the Agreement.

G. Assignment of Offer to Purchase:
Buyer shall have the right to assign this Agreement to an entity owned and controlled by Buyer, provided that notwithstanding any such assignment, Buyer shall remain responsible for all obligations of the Buyer hereunder, including but not limited to the payment of the Purchase Price. Buyer shall not otherwise have the right to assign this Agreement without written consent of Seller, which consent shall be granted or withheld in Seller's sole discretion.

H. Authorization to Sign Documents:
Buyer and Seller represent and warrant to each other that the individuals signing this Agreement on behalf of Buyer and Seller are duly authorized and have full written authority to so sign and to bind the respective parties to the provisions hereof.

I. **Counterparts.** This Agreement may be executed in multiple counterparts, each of such counterpart shall be deemed to constitute one and the same instrument and each of said counterparts shall be deemed an original hereof. Facsimile signatures of this agreement shall be treated as original signatures.

J. Legal Counsel:
EC Commercial Real Estate makes no representation as to the accuracy or completeness of the disclosures made in this Agreement. The Buyer and Seller are advised to be represented by their attorneys in the preparation, review and signing of this Agreement and all other legal documents associated with the purchase/sale of this Property. The language used in this Agreement shall be deemed to be the language chosen by all of the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

K. **Notice.** The following shall be added to Line 682 of the Offer: jtluljak@michaelbest.com; jslohn@michaelbest.com; and jmmertz@michaelbest.com.

M. **Severability**. In the event that any provision of this Agreement is later determined to be illegal, invalid, or unenforceable for any reason, such provision shall be deemed severed herefrom and such severance shall not affect the legality, validity, or enforceability of the other provisions herein.

Entire Agreement: This Agreement constitutes the entire agreement between the parties and no modification shall be binding unless in writing and signed by all parties.

[Signature Page Follows]

In witness whereof, Seller and Buyer have caused this Rider to be executed on the date written below, their respective signatures, to be effective as of the full executed date of this Rider.

Buyer:
Red Earth, LLC

By: Jacob R. Buswell Date: 11/7/2023
Name/Title: Jacob R. Buswell

Seller:
Sheboygan Lakeview Property, LLC

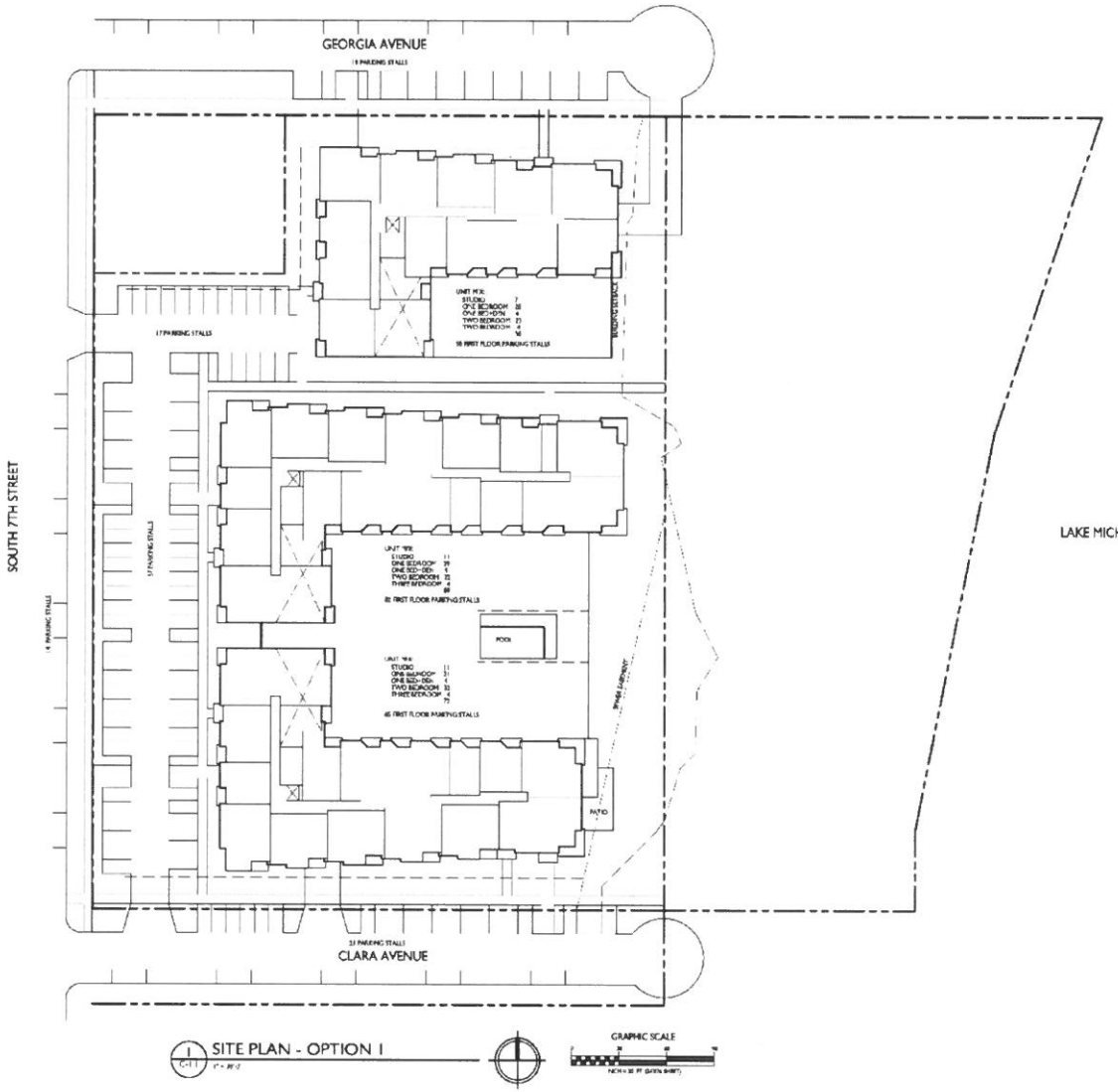
By: Date: 11.7.23
Name/Title: Michael Dilworth, Member

EXHIBIT B

Exhibit C

Site Plan

[SEE ATTACHED]



knothe bruce ARCHITECTS

ISSUED

PROJECT TITLE
Site Concept

Red Earth
Development

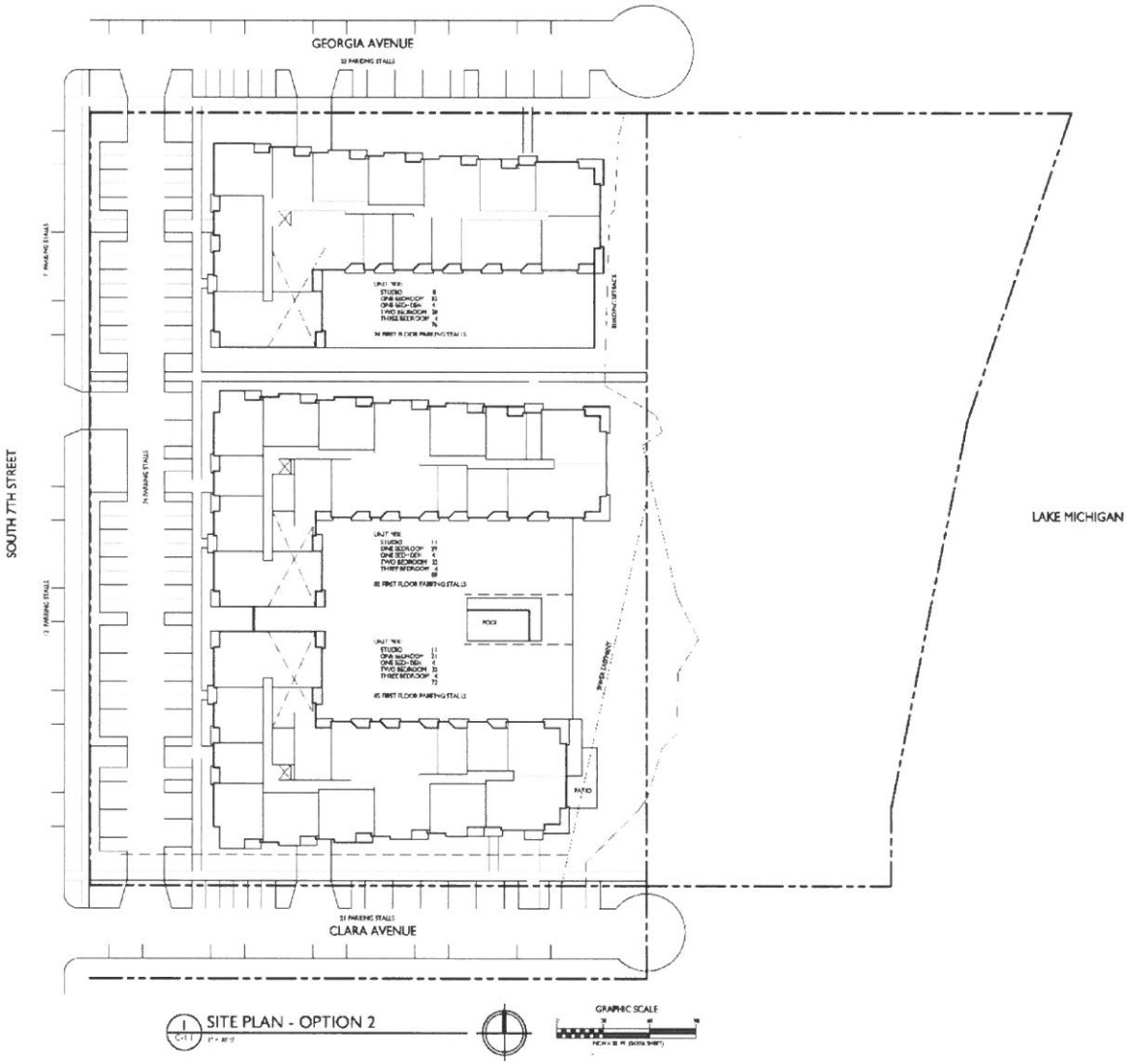
1403-1435 S 7th Street
Sheboygan, Wisconsin

SHEET TITLE
Site Plan

SHEET NUMBER
C-1.1

PROJECT NO. 2378

EXHIBIT C



kba
knothe bruce
ARCHITECTS

ISSUED

PROJECT TITLE
Site Concept

Red Earth
Development

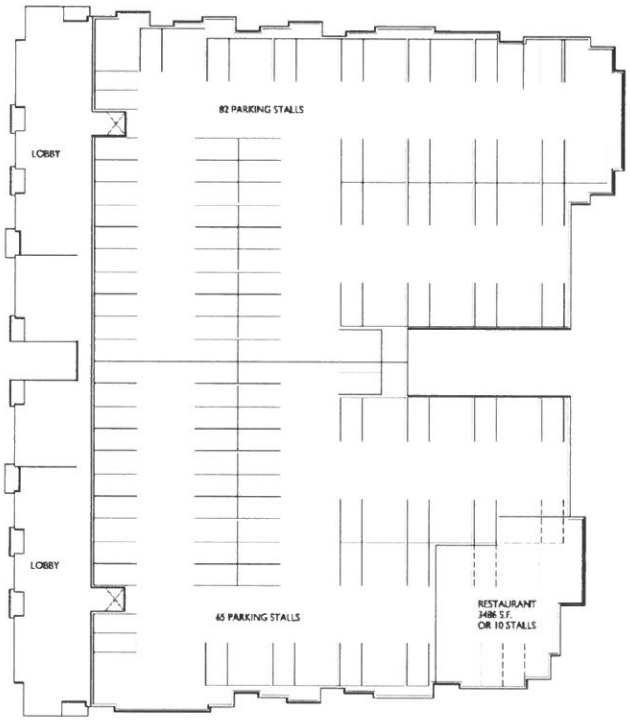
1403-1435 S 7th Street
Sheboygan, Wisconsin

SHEET TITLE
Site Plan

SHEET NUMBER
C-1.1

PROJECT NO. 2378

EXHIBIT C



1 C-1.2 FIRST FLOOR PLAN

GRAPHIC SCALE

knothe bruce ARCHITECTS

ISSUED

PROJECT TITLE
Site Concept

Red Earth
Development

1403-1435 S 7th Street
Sheboygan, Wisconsin

SHEET TITLE
First Floor Plan

SHEET NUMBER
C-1.2

PROJECT NO. 2378

EXHIBIT C

Exhibit D

MRO

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF SHEBOYGAN
CITY OF SHEBOYGAN

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION ("**MRO**")

Number	Date of Original Issuance	Amount
____	_____	Up to $8,000,000.00

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "**City**"), promises to pay to Malibu Apartments, LLC (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Revenues described below, without interest.

This MRO shall be payable in installments of principal due on October 31 (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1.

This MRO has been issued to finance projects within the City's Tax Incremental District No. 21, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the resolution adopted on [_____, 20___], by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District Development Agreement dated as of February 20, 2024 by and between the City and Developer (the "**Development Agreement**"). All capitalized but undefined terms herein shall take on the meaning given to such terms in the Development Agreement.

This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Available Tax Increment generated by the Property and appropriated by the City's Common Council to the payment of this MRO (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the principal due on this MRO, the amount due but not paid shall be deferred. The deferred principal

shall be payable on the next Payment Date until ***the earlier of***: (a) the date this MRO is paid in full, and (b) the Final Payment Date (as defined below). The City shall have no obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date. The owners of this MRO shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the City's Common Council to payment of this MRO. The "**Final Payment Date**" is October 31, 2051.

At the option of the City, this MRO is subject to prepayment in whole or in part at any time.

The City makes no representation or covenant (express or implied) that the Available Tax Increment or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder are subject to appropriation, by the City's Common Council, of Tax Increments or other amounts to make payments due on this MRO. In addition, as provided in Section 5.3 of the Development Agreement, the total amount of principal to be paid shall in no event exceed ***the lesser of***:

(a) Eight Million Dollars ($8,000,000.00), and

(b) The sum of all payments made by the City on this MRO during the life of the District but in no event after the Final Payment Date.

For the avoidance of any doubt, the Available Tax Increment for MRO payments made during the life of the District in 2027, 2028, 2029, 2030 and 2031, if made, shall equal ninety-five percent (95%) of the difference between the Tax Increment actually received by the City in such year and allocated for payment on the MRO **less** the Priority Project Costs, and the Available Tax Increment for MRO payments made during the life of the District for every year after 2031 but prior to or on the Final Payment Date, if made, shall equal seventy-five percent (75%) of the difference between the Tax Increment actually received by the City in such year and allocated for payment on the MRO **less** the Priority Project Costs.

When such amount of Revenues has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect hereto. Further, as provided in Sections 5.1, 5.3 and 11.1 of the Development Agreement or otherwise, the City's obligations to make payments on this MRO may be suspended or terminated in the event Developer is in Default under any of the terms and conditions of the Development Agreement, provided payments may be resumed when any such Default is timely cured and any payments missed due to an uncured Default also shall be paid from Available Tax Increment upon timely cure of such Default.

THIS MRO IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS MRO IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS

OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THIS MRO. FURTHER, NO PROPERTY OR OTHER ASSET OF THE CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

Except as otherwise expressly provided for in the Development Agreement, this MRO may be transferred or assigned, in whole or in part, only upon prior written consent of the City which may be withheld, conditioned or delayed for any reason. Interests in this MRO may not be split, divided or apportioned, except as set forth herein. In order to transfer or assign the MRO, if permitted by the City, the transferee or assignee shall surrender the same to the City either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the City. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Sheboygan has caused this MRO to be signed on behalf of the City by its duly qualified and acting City Administrator and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF SHEBOYGAN

By: EXHIBIT _____
Name: _____, City Administrator

(SEAL)

Attest: EXHIBIT _____
Name: _____, City Clerk

Schedule 1

Payment Schedule

Subject to the City's actual receipt of Available Tax Increment and the terms and conditions of the Development Agreement (including, without limitation, the City's right to modify this payment schedule based upon market conditions and the actual and projected Available Tax Increment generated from the Project), the City shall make the following payments on the MRO to Developer:

Payment Date	Payment Amount
October 31, 2027	$_____
October 31, 2028	$_____
October 31, 2029	$_____
October 31, 2030	$_____
October 31, 2031	$_____
October 31, 2032	$_____
October 31, 2033	$_____
October 31, 2034	$_____
October 31, 2035	$_____
October 31, 2036	$_____
October 31, 2037	$_____
October 31, 2038	$_____
October 31, 2039	$_____
October 31, 2040	$_____
October 31, 20__	$_____
Total	Up to $8,000,000.00

REGISTRATION PROVISIONS

This MRO shall be registered in registration records kept by the Clerk of the City of Sheboygan, Sheboygan County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this MRO may thereafter be transferred only upon presentation of this MRO together with a written instrument of transfer in form and substance acceptable to the City and duly executed by the registered owner or his/her/its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of [City Clerk]
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT E

Members of Developer

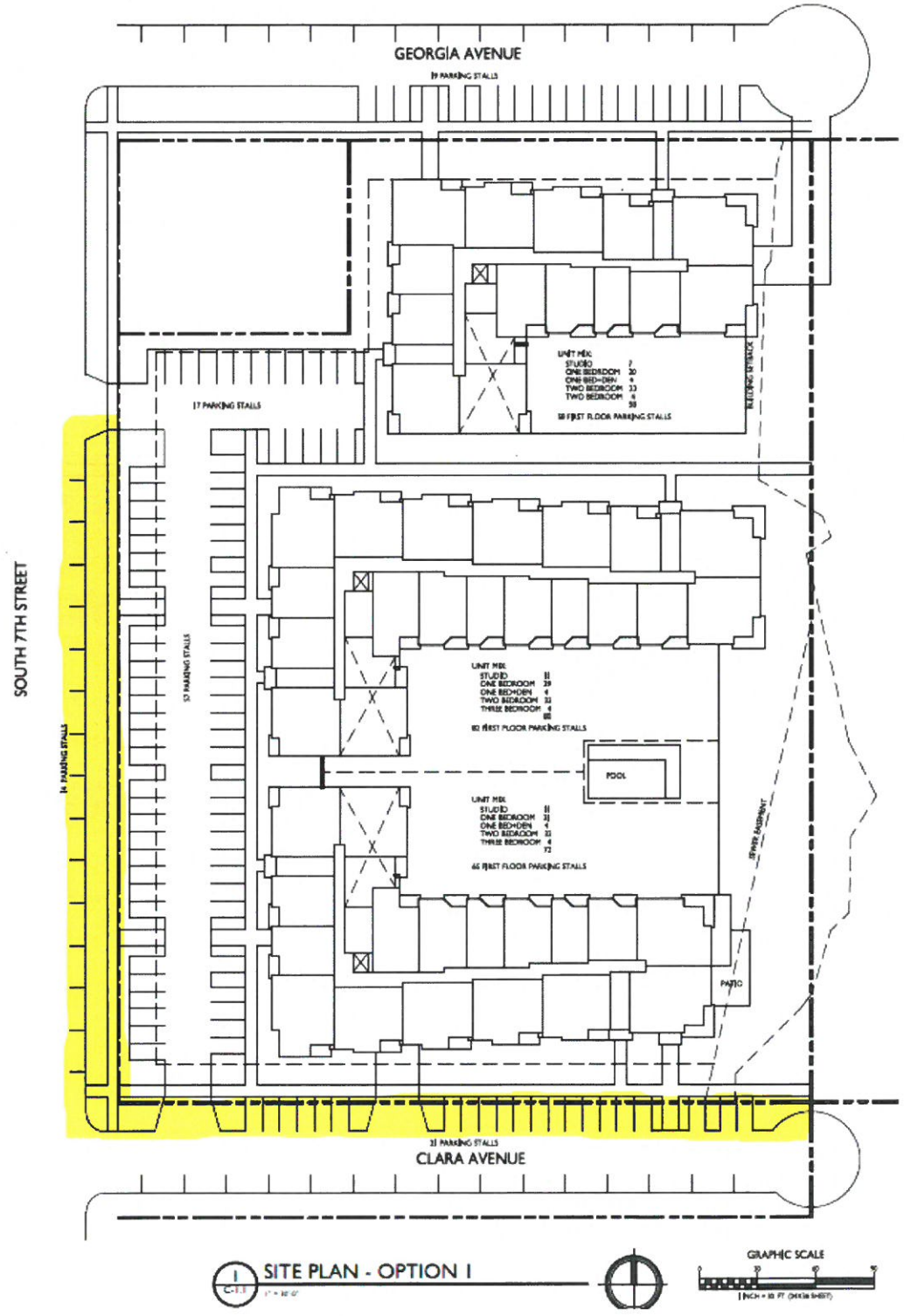
MEMBERS OF DEVELOPER (WITH OWNERSHIP PERCENTAGE):

(1) Jacob Buswell (20%)
(2) Matthew Buswell (20%)
(3) Brian Buswell (20%)
(4) Todd Page (20%)
(5) Rick Beyer (20%)

EXHIBIT F

Street Parking Work Area

The Street Parking Work shall be performed in the area highlighted below.



FIRST AMENDMENT TO TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT ("**First Amendment**") is entered into as of April 20, 2026 (the "**First Amendment Effective Date**"), by and among the CITY OF SHEBOYGAN (the "**City**"), a Wisconsin municipal corporation, and MALIBU APARTMENTS, LLC, a Wisconsin limited liability company ("**Developer**").

RECITALS:

A. The City and Developer previously entered into a Tax Incremental District Development Agreement dated as of February 20, 2024 (the "**Development Agreement**").

B. The parties desire to amend the Development Agreement as specifically set forth herein.

C. Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Development Agreement.

NOW, THEREFORE, the City and Developer, in consideration of the terms and conditions contained in this First Amendment and for other good and valuable consideration, the receipt of which is hereby acknowledged, each hereby agrees as follows:

1. The RECITALS set forth above are true, accurate and incorporated herein by reference.

2. Recital C of the Development Agreement is hereby amended and restated in its entirety with the following:

> "C. Developer, pursuant to the terms and conditions of this Agreement (and all amendments thereto), is obligated to, among other things, construct a development on the Property consisting of one or more buildings that house at least two hundred fifteen (215) residential units with an attached parking structure (collectively, the "**Project**"). The Project will consist of two (2) phases (each a "**Phase**" and, collectively, the "**Phases**") with the first Phase consisting of the construction of a one hundred fifty-seven (157) unit southern building and parking structure on the Property (the "**First Phase**") and the second Phase consisting of the construction of a fifty-eight (58) unit northern building and parking structure on the Property (the "**Second Phase**")."

3. Section 1.1 of the Development Agreement is hereby amended and restated in its entirety with the following:

> "**1.1 Required Information.** Developer shall be deemed to have committed a Default under this Agreement and the City shall have no obligations under this Agreement and shall have the right to terminate this Agreement in accordance with the provisions of Section 1.3 below, if the Required Information (as defined below) and the Commencement Notice (as defined below) for any Phase has not been timely provided by Developer to the City in form and substance reasonably acceptable to the City.

The deadlines for Developer to provide the Required Information and the Commencement Notice for the First Phase is April 1, 2026 and for the Second Phase is November 1, 2028.

For each Phase, Developer shall provide to the City the following required information related to such Phase (collectively, the "**Required Information**") and such other documentation as the City may request, both in form and in substance acceptable to the City:

(a) A schedule for the construction of Developer Improvements (as defined below) and identifying the following for such Phase:

(i) Intended commencement and completion date,

(ii) Reasonably estimated costs associated with the construction, and

(iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Property.

(b) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for such Phase, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Developer and Developer's general contractor.

(c) Documentation confirming that Developer has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals relating to such Phase. Developer shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for such Phase).

(d) A copy of the final construction plans and complete specifications for the intended construction related to such Phase that are consistent with the provisions of this Agreement (the "**Final Plans**"). The Final Plans for such Phase must be certified as final and complete and be signed by Developer, the consulting engineer, architect and the general contractor (as applicable) and approved by the City in writing.

(e) All documents authorizing the construction and financing of such Phase and directing the appropriate officer of Developer to execute and deliver all agreements, documents and contracts required to be executed by Developer in connection with the transactions which are the subject of this Agreement (including, without limitation, authorizing resolutions of Developer).

On or before the Effective Date, Developer shall provide the City with:

(x) A commitment for an owner's policy of title insurance issued by a title insurance company licensed to do business in Wisconsin identifying Developer as the proposed insured/owner of the Property (the "**Property Commitment**") and containing

copies of all easements, restrictions, encumbrances, leases or other documents of record affecting the Property (collectively, "**Property Exceptions**"). None of the Property Exceptions shall interfere with the proposed development of the Project.

(y) A fully-executed offer to purchase the Property between Developer and the owner of record for the Property in form and substance of the offer attached hereto as Exhibit B which is incorporated herein by reference (the "**Offer**") and all contingencies set forth in the Offer (other than having to do with the effectiveness of this Agreement at the closing for such purchase of the Property) have been waived, satisfied or are no longer applicable by passage of time or otherwise.

(z) All documents authorizing the appropriate officer of Developer to execute and deliver this Agreement (including, without limitation, authorizing resolutions of Developer).

4. Section 1.3 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**1.3 Termination Rights.** If Developer notifies the City in writing of Developer's election not to proceed with any Phase or Developer fails to fully and timely provide the Required Information or the Commencement Notice for any Phase (as determined in the sole discretion of the City), such Developer notification or failure shall be deemed an election by Developer to not proceed (a "**Not to Proceed Election**") with any and all Phases of the Project that have not been commenced at the time of the Not to Proceed Election. Upon the occurrence of a Not to Proceed Election: (a) the City shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO, completing any City Improvements or making any payment on the MRO) with regard to such Phase and any or all successive Phases, and (b) all provisions in this Agreement related to such Phase and any or all successive Phases shall be deemed null and void and removed from this Agreement. For the avoidance of any doubt, a Not to Proceed Election by Developer for a particular Phase shall not be deemed a Default under any of the prior Phases or a general Default under the Agreement.

If, for example, a Not to Proceed Election occurs after the commencement of the First Phase, then the City will have no obligation to perform any act under this Agreement with regard to the Second Phase (including, without limitation, payment of any amounts on the MRO related to the portion of the Property impacted by the Second Phase) but this Agreement shall remain in full force and effect with regard to the First Phase and the City shall remain obligated to perform all acts under this Agreement with regard to the First Phase, subject to the terms and conditions set forth herein. Notwithstanding the previous sentence and for the avoidance of any doubt, if a Default occurs with respect to a particular Phase, then the City shall not be obligated to perform **any** act under this Agreement with respect to such Phase related to the Default (including, without limitation, making **any** payment on the MRO with respect to such Phase related to the Default), but if the Default is general in nature and not specific to a given Phase (e.g., making a Tax Increment Shortfall payment), then the City shall not be obligated to perform any act under this Agreement, regardless of the Phase impacted by such Default."

5. Section 2.1 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**2.1 Commencement Notice.** On or before commencement of construction of a given Phase, Developer shall provide a written notice to the City of Developer's intention to commence construction for a given Phase (the "**Commencement Notice**"). A Commencement Notice for the First Phase shall be delivered by Developer to the City on or before April 1, 2026, and a Commencement Notice for the Second Phase shall be delivered by Developer to the City on or before November 1, 2028. To be effective, the Commencement Notice shall be accompanied by, or Developer shall have previously delivered to the City, all of the Required Information for such Phase. If Developer does not timely provide the Commencement Notice and all of the Required Information to the City for the First Phase, Developer will be deemed to not be ready to develop the First Phase or any subsequent Phase and be in Default under this Agreement. If Developer does not cure all outstanding Default(s) within thirty (30) calendar days after the City provides Developer written notice of such Default(s), the City shall have the ability to exercise all remedies available in this Agreement, in equity and at law (including, without limitation, terminating this Agreement as set forth in Section 1.3 above). If Developer does not timely provide the Commencement Notice and all of the Required Information to the City for the Second Phase, Developer will be deemed to not be ready to develop the Second Phase or any subsequent Phase and be in Default under this Agreement with regard to the Second Phase and any and all subsequent Phases. If Developer does not cure all outstanding Second Phase Default(s) within thirty (30) calendar days after the City provides Developer written notice of such Default(s), then the City shall not be obligated to perform **any** act under this Agreement with respect to the Second Phase or any subsequent Phase (including, without limitation, making **any** payment on the MRO with respect to the Second Phase or any subsequent Phase).

6. Subsection 2.2(a) of the Development Agreement is hereby amended and restated in its entirety with the following:

"(a) Developer shall construct and timely complete the Project. Developer shall commence construction of: (i) the First Phase (with commencement being evidenced by installing footings for the southern building on the Property comprised of a 157-unit apartment as depicted in the site plan attached as Exhibit C) on or before May 1, 2026; and (ii) the Second Phase (with commencement being evidenced by installing footings for the northern building on the Property comprised of an at least fifty-eight (58) unit apartment as depicted in the site plan attached as Exhibit C) on or before December 31, 2028. Upon such commencement, Developer shall proceed to the fully-satisfy and complete all of the improvements, obligations and work set forth in this Section **Error! Reference source not found.** with due diligence and without unreasonable delay or interruption (with the exception of force majeure events, if any, as defined in Section **Error! Reference source not found.** below). On or before May 1, 2027 (the "**First Phase Completion Date**"), the First Phase of the Project shall be completed, and on or before December 31, 2029 (the "**Second Phase Completion Date**") the Second Phase of the Project shall be completed and on the Second Phase Completion Date at least two hundred fifteen (215) residential units shall be available for occupancy."

7. Section 3.1 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**3.1 Guarantied Value.** The parties anticipate that:

(a) upon completion of the First Phase, the currently contemplated land and improvements related to the Project will have an equalized value for purposes of real property tax assessment ("**Equalized Value**") of not less than Twenty-Nine Million Two Hundred Thousand Dollars ($29,200,000.00; the "**First Phase Guarantied Value**") by December 31, 2027 (the "**First Phase Guarantied Value Date**"); and

(b) upon completion of the Second Phase, the currently contemplated land and improvements related to the Project will have an Equalized Value of not less than Forty Million Dollars ($40,000,000.00; the "**Final Guarantied Value**") by December 31, 2029 (the "**Final Guarantied Value Date**").

As a condition to entering into this Agreement, the City requires that Developer guaranty a minimum Equalized Value for the land and improvements related to the Project. By executing this Agreement, Developer and Jacob Buswell, Brian Buswell, Matthew Buswell, Todd Page and Richard Beyer (each a "**Guarantor**" and, collectively, the "**Guarantors**") each hereby jointly and severally guaranties that, on and after:

(y) the First Phase Guarantied Value Date, the Equalized Value of the land and improvements on the Property shall at all times during the life of the District prior to the Final Guarantied Value Date be at least the First Phase Guarantied Value; and

(z) the Final Guarantied Value Date, the Equalized Value of the land and improvements on the Property shall at all times during the life of the District be at least the Final Guarantied Value.

If the Equalized Value of the Property is less than the First Phase Guarantied Value any time on or after the First Phase Guarantied Value Date or if the Equalized Value of the Property is less than the Final Guarantied Value any time on or after the Final Guarantied Value Date, the Developer shall be in Default under this Agreement."

8. Section 3.2 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**3.2 Failure to Construct.** If Developer provides a Commencement Notice as required by Section 2.1 above**Error! Reference source not found.** but does not timely complete construction of the applicable Phase as herein provided, then Developer and each Guarantor shall pay to the City all sums incurred by the City with regard to the preparation and drafting of this Agreement and all other sums not recoverable from Tax Increments (as defined below). All repayments shall be completed within thirty (30) calendar days after Developer's non-performance or Default under this Agreement."

9. Section 3.3 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**3.3 Guaranty Obligations.** If on or any time after:

(a) the First Phase Guarantied Value Date, whether as a result of an Uncured Casualty Loss or otherwise, the Equalized Value of the Property is less than the First Phase Guarantied Value, or

(b) the Final Guarantied Value Date, whether as a result of an Uncured Casualty Loss or otherwise, the Equalized Value of the Property is less than the Final Guarantied Value ((a) and (b) above are each a "**Shortfall Event**"),

then Developer and each Guarantor shall jointly and severally owe the City an amount equal to the difference between:

(y) the Tax Increment the City otherwise would have received on the Property if the Property's Equalized Value equaled the First Phase Guarantied Value (if such Shortfall Event occurs between the First Phase Guarantied Value Date and the Final Guarantied Value Date) or the Final Guarantied Value (if such Shortfall Event occurs on or after the Final Guarantied Value Date), as applicable, and

(z) the Tax Increment received by the City in the year a Shortfall Event occurs (such difference between (y) and (z) being referred to herein as the "**Tax Increment Shortfall**").

If a Tax Increment Shortfall is owed to the City, then unless and until the Equalized Value of the Property increases to at least the First Phase Guarantied Value or Final Guarantied Value, as applicable, for each January 1 following a Shortfall Event, that the Equalized Value of the Property is less than the First Phase Guarantied Value or Final Guarantied Value, as applicable, Developer and each Guarantor, shall pay to the City an amount equal to the Tax Increment Shortfall for such calendar year. If and when the Equalized Value of the Property as of any January 1 is equal to or greater than the First Phase Guarantied Value or the Final Guarantied Value, as applicable: (i) the Default related to non-compliance with the First Phase Guarantied Value or Final Guarantied Value, as applicable, requirement shall be deemed cured, (ii) no further January 1 assessment valuations shall occur or be required, and (iii) no Tax Increment Shortfall payment obligation shall be incurred for such year or any year thereafter, unless a new Shortfall Event occurs. If a Tax Increment Shortfall continues through the closing of the District, no further Equalized Value assessment calculations shall occur and no further Tax Increment Shortfall payment obligations of Developer or any Guarantor shall arise after the District is closed. For the avoidance of any doubt, if Developer provides a Not to Proceed Election for a given Phase, then no Shortfall Event or Tax Increment Shortfall can occur with respect to such Phase related to the Not to Proceed Election.

Developer agrees that Developer shall not, and Developer hereby waives any right to, during the life of the District, challenge the assessed value of the Property below the First Phase Guarantied Value (if such assessment occurs between the First Phase Guarantied Value Date and the Final Guarantied Value Date) or the Final Guarantied Value (if such assessment occurs on or after the Final Guarantied Value Date), as applicable."

10. Section 3.4 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**3.4 Payment of Tax Increment Shortfall.** Any Tax Increment Shortfall payment due to the City shall be deducted from any MRO payment (otherwise due Developer but for the Default) from the City during the year in which the Tax Increment Shortfall payment obligation arises. If the Tax Increment Shortfall payment exceeds the amount of such MRO payment, Developer and each Guarantor shall pay to the City an amount equal to the difference between such MRO payment and the Tax Increment Shortfall. If there is

no MRO payment due Developer for such year, Developer and each Guarantor shall pay to the City the full amount of the Tax Increment Shortfall for such year. Any Tax Increment Shortfall payment due to the City from Developer or any Guarantor pursuant to this **Error! Reference source not found.** shall be made within ten (10) days of written request for payment by the City."

11. Section 5.1 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**5.1 Municipal Revenue Obligation.** Pursuant to the terms of this Agreement, the City agrees to issue to Developer, within ninety (90) calendar days after the City issues a plumbing permit for the First Phase, a non-interest bearing municipal revenue obligation (the "**MRO**"). The amount to be paid under the MRO shall equal ***the lesser of***:

(a) Five Million Eight Hundred Forty Thousand Dollars ($5,840,000.00); and

(b) The sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date (as defined below).

If Developer completes the Second Phase timely and there is no other Default by Developer under this Agreement, within ninety (90) calendar days after the completion of the Second Phase and Developer's presentment, delivery and surrender of the original MRO to the City, the City shall reissue the MRO. The amount to be paid under the re-issued MRO shall equal ***the lesser of***:

(c) Eight Million Dollars ($8,000,000.00) *less* the amount already paid on the original MRO; and

(d) The aggregate sum of all payments made by the City on any or all MROs issued under this Agreement during the life of the District but in no event after the Final Payment Date.

Except as otherwise provided herein, payments on the MRO will equal the Available Tax Increment in each year to the extent appropriated by the City's Common Council until and including ***the earlier of*** the date this Agreement is terminated, the date the District is terminated, the Final Payment Date and the date the MRO is paid in full. "**Available Tax Increment**" means an amount equal to:

(y) ninety-five percent (95%), during the life of the District for calendar years 2028, 2029, 2030 and 2031, and

(z) seventy-five percent (75%), during the life of the District for each calendar year after 2031 but on or prior to the Final Payment Date,

of the difference between the Tax Increment actually received by the City and appropriated by the City's Common Council in each year **less** the following (collectively, the "**Priority Project Costs**"): (i) all debt service payments incurred or to be incurred by the City in a given year for work performed or to be performed with regard to the Project or the Property; (ii) the amount of the City's administrative expenses, including, but not limited to, reasonable charges for the time spent by City employees in connection with the negotiation and implementation of this Agreement, (iii) professional service costs,

including, but not limited to, those costs incurred by the City for outside architectural, planning, engineering, inspections, financial consulting and legal advice (including, without limitation, attorneys' costs and fees) and services related to the negotiation and implementation of this Agreement, and (iv) other eligible project costs previously incurred by the City in preparation for this Project or to be incurred by the City under the Project Plan, including, without limitation, site preparation and costs and expenses related to the Property or the Project provided such eligible project costs are not financed by the debt service referenced in (i) above. Any Priority Project Cost not paid due to insufficient Tax Increment shall be carried forward and paid from Tax Increment in the next year, or if necessary, following years until fully paid. "**Tax Increment**" shall have the meaning given under Wis. Stat. § 66.1105(2)(i) but shall be limited to the Tax Increment attributable to the Project, the land and improvements on the Property.

Provided that Developer is not in Default under this Agreement, the City shall, subject to annual appropriation of such payment by the City's Common Council, pay the Available Tax Increment, if any, to the holder of the MRO in one annual payment, on or before October 31st of each year commencing on October 31, 2028, and continuing to (and including) the earlier of the date the MRO is paid in full or October 31, 2051 (each, a "**Payment Date**"). Notwithstanding the previous sentence, in the event that Developer is in Default on a Payment Date, payment by the City may be suspended until all outstanding Defaults are cured. If a Developer Default is limited to a given Phase, then such suspension of payment under the MRO by the City will be limited to the amount due with respect to the Phase connected to such Default.

To the extent that on any Payment Date the City is unable to make all or part of a payment of principal due on the MRO from such Available Tax Increment due to an absence of adequate Available Tax Increment, non-appropriation by the City's Common Council or otherwise, such failure shall not constitute a default by the City under the MRO. The amount of any such deficiency shall be deferred without interest. The deferred principal shall be due on the next Payment Date on which the City has the ability to payout Available Tax Increment. The term of the MRO and the City's obligation to make payments hereunder shall not extend beyond the earlier of October 31, 2051 (the "**Final Payment Date**") or the date the MRO is paid in full. If the MRO has not been paid in full by the Final Payment Date, then the City shall have no obligation to make further payments on the MRO. Upon the earlier of the date the MRO is paid in full and the Final Payment Date, the MRO shall terminate and the City's obligation to make any payments under the MRO shall be fully discharged, and the City shall have no obligation and incur no liability to make any payments hereunder or under the MRO, after such date.

The MRO shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment which has been appropriated for that purpose, and then only to the extent and in the manner herein specified. The MRO is a special, limited revenue obligation of the City and shall not constitute a general obligation of the City. The City will use good faith efforts to annually appropriate the Available Tax Increment for the MRO, until the earlier of the Final Payment Date, the termination of this Agreement or the MRO, or the payment in full of the MRO as provided herein. If Available Tax Increment is received by the City earlier than the first Payment Date, the applicable portion of such increment shall be retained by the City and applied to the first payment subject to appropriation by the City Common Council.

Developer shall not have the right to assign the MRO except as set forth therein. Interests in the MRO may not be split, divided or apportioned."

12. Section 5.3 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**5.3 Issuance of MRO and Payment Limitation**. Provided that Developer is not in Default under this Agreement beyond the applicable cure period (if any), the City will deliver the MRO to Developer within ninety (90) calendar days after the City issues a plumbing permit for the First Phase or within ninety (90) calendar days after the completion of the Second Phase and Developer's presentment, delivery and surrender of the original MRO to the City, as applicable. Notwithstanding the previous sentence, in the event that Developer is in Default prior to the City's issuance (or re-issuance) of the MRO, the City shall not be required to deliver the MRO to Developer until a reasonable time after, but in no event less than thirty (30) calendar days after, all such Defaults are cured and conditions are met, provided each Default is cured within the applicable cure period for such Default. If the City does not timely provide the MRO to Developer, the Developer shall make a written request to the City to deliver the executed MRO within thirty (30) calendar days after the date of such written request by the Developer. The total amount of principal to be paid under the MRO shall in no event exceed ***the lesser of***:

(a) Five Million Eight Hundred Forty Thousand Dollars ($5,840,000.00); and

(b) The sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date.

If Developer completes the Second Phase timely and there is no other Default by Developer under this Agreement, within ninety (90) calendar days after the completion of the Second Phase and Developer's presentment, delivery and surrender of the original MRO to the City, the City shall reissue the MRO. The amount to be paid under the re-issued MRO shall equal ***the lesser of***:

(y) Eight Million Dollars ($8,000,000.00) *less* the amount already paid on the original MRO; and

(z) The aggregate sum of all payments made by the City on any or all MROs issued under this Agreement during the life of the District but in no event after the Final Payment Date.

The City's obligation to make payments on the MRO is conditioned on the requirement that Developer is not in Default under this Agreement. For the avoidance of any doubt, upon the occurrence of a Default, the City may suspend all payments until the Default is cured and, upon the expiration of all applicable cure periods for such Default, the City may exercise any and all available remedies. Notwithstanding the previous sentence, if a Developer Default is limited to a given Phase, then such suspension of payment under the MRO by the City will be limited to the amount due with respect to the Phase connected to such Default. For the avoidance of any doubt, upon the occurrence of a Not to Proceed Election for the First Phase, the City shall not be obligated to make any payments on the MRO, and upon the occurrence of a Not to Proceed Election for the Second Phase, the City shall not be obligated to make any payments on the MRO related to the Second Phase but

shall continue to make payments on the MRO with regard to the First Phase, provided that Developer is not otherwise in Default under this Agreement."

13. Section 6.2 of the Development Agreement is hereby amended and restated in its entirety with the following:

"**6.2 Tax Status/Restrictive Covenant.** Without the prior written consent of the City (which may be withheld for any reason), Developer shall not use or permit the use of any of the Property in any manner which would render such Property exempt from property taxation during the life of the District. Further, Developer will not challenge or contest any assessment on the Property by the City, including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding with regard to an assessed value of the Property for a given Phase in an amount less than the First Phase Guarantied Value or the Final Guarantied Value (as applicable and a set forth in Section 3.1 above). Developer agrees to record a deed restriction or restrictive covenant against the portions of the Property prior to any sale or leasing of any of the Property to make any subsequent purchasers or users of any portion of the Property subject to this provision. The foregoing deed restrictions or restrictive covenants shall permit, but shall not obligate, the City to enforce such deed restriction or restrictive covenant and shall be in form and in substance acceptable to the City. This provision and the deed restrictions or restrictive covenants shall continue to be applicable until the termination of the District. However, Developer shall not have a continuing obligation for compliance with this provision as to any portion of the Property in which Developer no longer maintains an interest (whether as owner, tenant, occupant or otherwise) provided that Developer has timely recorded the deed restrictions or restrictive covenants as approved by the City.

14. Section 7.1 of the Development Agreement is hereby amended by restating the last paragraph in Section 7.1 with the following:

"Notwithstanding any provision herein to the contrary, this Agreement and the MRO may be collaterally assigned to a mortgage lender financing the development and completion of each Phase of the Project (each a "**Phase Lender**").

In the event a Phase Lender forecloses (or accepts a deed in lieu of foreclosure) on a given Phase or Phases or otherwise exercises any of Phase Lender's rights under any collateral assignment related to such Phase(s) prior to substantial completion of all the Developer Improvements related to the applicable Phase(s), Phase Lender or a Qualified Developer (as defined below) shall execute all documents required by the City to confirm that such assignee is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement. For the avoidance of any doubt, Developer shall remain jointly and severally liable for all obligations of Developer (whether to be completed by itself or its assign) under this Agreement.

In the event a Phase Lender forecloses (or accepts a deed in lieu of foreclosure) on a given Phase or Phases or otherwise exercises any of Phase Lender's rights under any collateral assignment related to such Phase(s) after substantial completion of all the Developer Improvements related to the applicable Phase(s), other than the maintenance, operation and management of the applicable portion of the Project, such Phase Lender shall not be required to assume the obligations of Developer under the Development Agreement; provided, however, for Lender (or Lender's nominee, successor or assign) to be able to

receive any payments on the MRO or any other benefits under this Development Agreement, all of the following conditions must be satisfied:

(a) The maintenance, operation and management of the applicable portion of the Project must be taken over by a Qualified Developer to avoid any disruption or delay in services provided to the residents in such portion of the Project.

(b) The Qualified Developer has agreed in writing to assume the Developer obligations under the Development Agreement (including, without limitation, Tax Increment Shortfall payments), but nothing contained herein shall be deemed to release Developer, any Qualified Developer or Guarantor from their respective obligations under the Development Agreement.

For the purposes of this Development Agreement, a "**Qualified Developer**" shall mean a real estate development company, as determined by the City in the City's sole discretion, that has:

(t) A demonstrated track record of successfully developing ground-up construction projects in the Midwest, which are similar in size, character, use, class, scope and value to the Project;

(u) Then current development capabilities, reputation and financial resources to undertake, complete and properly manage the Project;

(v) Not in the past defaulted on any project with the City;

(w) Not been the subject of any felony criminal charges or proceedings;

(x) Not been the subject of a voluntary or involuntary petition for relief under the bankruptcy code;

(y) Not brought a claim, lawsuit or otherwise against the City at any time prior to the date of any proposed assignment; and

(z) Been approved by the City to replace Developer.

15. Exhibit C of the Development Agreement is hereby amended and restated in its entirety with the Exhibit C attached to this First Amendment.

16. Exhibit D of the Development Agreement is hereby amended and restated in its entirety with the Exhibit D attached to this First Amendment.

17. Exhibit F of the Development Agreement is hereby amended and restated in its entirety with the Exhibit F attached to this First Amendment.

18. This First Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective, permitted successors and assigns.

19. Except as expressly amended herein, the Development Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of the Development Agreement and this First Amendment, this First Amendment shall control.

20. The counterparts provisions in Section 16.12 of the Development Agreement are incorporated herein by reference and shall apply to the execution and delivery of this First Amendment.

[The remainder of this page is intentionally left blank with a signature pages to follow.]

#43025851v8

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the First Amendment Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

STATE OF WISCONSIN)
) I
SHEBOYGAN COUNTY)

Personally came before me this 23rd day of April, 2026, the above named Ryan Sorenson and Meredith DeBruin, the City Mayor and the City Clerk of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

_____
Notary Public, Wisconsin
My commission 8/1/2029

MELISSA CLEVENGER NOTARY PUBLIC STATE OF WISCONSIN

DEVELOPER: MALIBU APARTMENTS, LLC

By: _____

Name: Jacob Buswell, Partner

STATE OF WISCONSIN)
) I
Monroe COUNTY)

Personally came before me this 1st day of May, 2026, the above named Jacob Buswell, a Partner of Malibu Apartments, LLC to me known to be the person who executed the foregoing instrument and acknowledged the same.

LORA HEROLD
Notary Public
State of Wisconsin

Lora Herold
Notary Public, Wisconsin
My commission 02/05/2030 expires

[Signature Page (First Amendment) – Developer]

THIS FIRST AMENDMENT IS ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE III OF THE DEVELOPMENT AGREEMENT (AS AMENDED BY THIS FIRST AMENDMENT). I HAVE REVIEWED OR HAD AN OPPORTUNITY TO REVIEW THE DEVELOPMENT AGREEMENT AND THIS FIRST AMENDMENT AND HAVE CONSULTED OR HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THE OBLIGATIONS CREATED ON ME PERSONALLY IN SUCH DOCUMENTS. I AGREE THAT SUCH GUARANTY IS ENTERED INTO IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Jacob Buswell

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Jacob Buswell, has agreed to personally guarantee obligations under the Development Agreement (as amended by this First Amendment) to the City. I consent to this act by my spouse and acknowledge that such act was entered into in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

Mary Elizabeth Buswell, Spouse of Jacob Buswell

THIS FIRST AMENDMENT IS ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE III OF THE DEVELOPMENT AGREEMENT (AS AMENDED BY THIS FIRST AMENDMENT). I HAVE REVIEWED OR HAD AN OPPORTUNITY TO REVIEW THE DEVELOPMENT AGREEMENT AND THIS FIRST AMENDMENT AND HAVE CONSULTED OR HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THE OBLIGATIONS CREATED ON ME PERSONALLY IN SUCH DOCUMENTS. I AGREE THAT SUCH GUARANTY IS ENTERED INTO IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Brian Buswell

Brian Buswell

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Brian Buswell, has agreed to personally guarantee obligations under the Development Agreement (as amended by this First Amendment) to the City. I consent to this act by my spouse and acknowledge that such act was entered into in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

Debra Buswell

Debra Buswell, Spouse of Brian Buswell

THIS FIRST AMENDMENT IS ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE III OF THE DEVELOPMENT AGREEMENT (AS AMENDED BY THIS FIRST AMENDMENT). I HAVE REVIEWED OR HAD AN OPPORTUNITY TO REVIEW THE DEVELOPMENT AGREEMENT AND THIS FIRST AMENDMENT AND HAVE CONSULTED OR HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THE OBLIGATIONS CREATED ON ME PERSONALLY IN SUCH DOCUMENTS. I AGREE THAT SUCH GUARANTY IS ENTERED INTO IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Matthew Buswell

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Matthew Buswell, has agreed to personally guarantee obligations under the Development Agreement (as amended by this First Amendment) to the City. I consent to this act by my spouse and acknowledge that such act was entered into in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

Jessye Buswell, Spouse of Matthew Buswell

THIS FIRST AMENDMENT IS ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE III OF THE DEVELOPMENT AGREEMENT (AS AMENDED BY THIS FIRST AMENDMENT). I HAVE REVIEWED OR HAD AN OPPORTUNITY TO REVIEW THE DEVELOPMENT AGREEMENT AND THIS FIRST AMENDMENT AND HAVE CONSULTED OR HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THE OBLIGATIONS CREATED ON ME PERSONALLY IN SUCH DOCUMENTS. I AGREE THAT SUCH GUARANTY IS ENTERED INTO IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Todd Page

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Todd Page, has agreed to personally guarantee obligations under the Development Agreement (as amended by this First Amendment) to the City. I consent to this act by my spouse and acknowledge that such act was entered into in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

Debbie Page, Spouse of Todd Page

THIS FIRST AMENDMENT IS ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE III OF THE DEVELOPMENT AGREEMENT (AS AMENDED BY THIS FIRST AMENDMENT). I HAVE REVIEWED OR HAD AN OPPORTUNITY TO REVIEW THE DEVELOPMENT AGREEMENT AND THIS FIRST AMENDMENT AND HAVE CONSULTED OR HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THE OBLIGATIONS CREATED ON ME PERSONALLY IN SUCH DOCUMENTS. I AGREE THAT SUCH GUARANTY IS ENTERED INTO IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTOR:

Richard Beyer

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Richard Beyer, has agreed to personally guarantee obligations under the Development Agreement (as amended by this First Amendment) to the City. I consent to this act by my spouse and acknowledge that such act was entered into in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

Michelle Jensen-Beyer, Spouse of Richard Beyer

EXHIBIT C

SITE PLAN

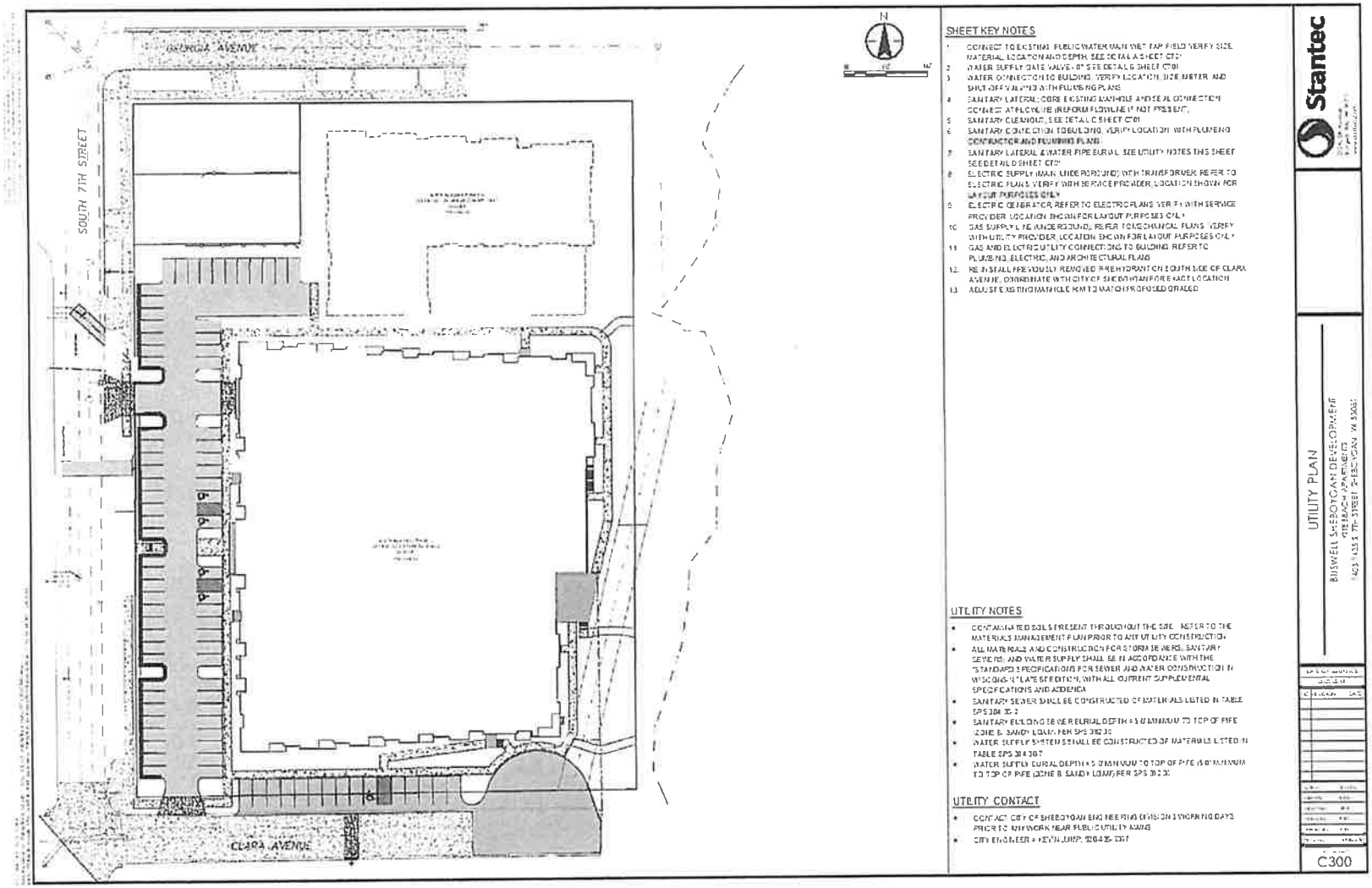


Exhibit C to First Amendment to Tax Incremental District Development Agreement

EXHIBIT D

MRO

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF SHEBOYGAN
CITY OF SHEBOYGAN

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION ("**MRO**")

Number	Date of Original Issuance	Amount
[___]	[_____]	Up to $[_____]

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "**City**"), promises to pay to Malibu Apartments, LLC (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Revenues described below, without interest.

This MRO shall be payable in installments of principal due on October 31 (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1.

This MRO has been issued to finance projects within the City's Tax Incremental District No. 21, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the resolution adopted on April 20, 2026, by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District Development Agreement dated as of February 20, 2024 by and between the City and Developer and as subsequently amended by a First Amendment to Tax Incremental District Development Agreement dated as of April 20, 2026 (collectively, the "**Development Agreement**"). All capitalized but undefined terms herein shall take on the meaning given to such terms in the Development Agreement.

This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Available Tax Increment generated by the Property and appropriated by the City's Common Council to the payment of this MRO (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the principal due on this MRO, the amount due but not paid shall be deferred. The deferred principal shall be payable on the next Payment Date until ***the earlier of***: (a) the date this MRO is paid in full, and (b) the Final Payment Date (as defined below). The City shall have no

obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date. The owners of this MRO shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the City's Common Council to payment of this MRO. The "**Final Payment Date**" is October 31, 2051.

At the option of the City, this MRO is subject to prepayment in whole or in part at any time.

The City makes no representation or covenant (express or implied) that the Available Tax Increment or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder are subject to appropriation, by the City's Common Council, of Tax Increments or other amounts to make payments due on this MRO. In addition, as provided in Section **Error! Reference source not found.** of the Development Agreement, the total amount of principal to be paid shall in no event exceed ***the lesser of***:

(a) [_____] Dollars ($[_____]), and

(b) The sum of all payments made by the City on this MRO or any other MRO (whether re-issued or otherwise) during the life of the District but in no event after the Final Payment Date.

For the avoidance of any doubt, the Available Tax Increment for MRO payments made during the life of the District in 2027, 2028, 2029, 2030 and 2031, if made, shall equal ninety-five percent (95%) of the difference between the Tax Increment actually received by the City in such year and allocated for payment on the MRO **less** the Priority Project Costs, and the Available Tax Increment for MRO payments made during the life of the District for every year after 2031 but prior to or on the Final Payment Date, if made, shall equal seventy-five percent (75%) of the difference between the Tax Increment actually received by the City in such year and allocated for payment on the MRO **less** the Priority Project Costs.

When such amount of Revenues has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect hereto. Further, as provided in Sections **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.** of the Development Agreement or otherwise, the City's obligations to make payments on this MRO may be suspended or terminated in the event Developer is in Default under any of the terms and conditions of the Development Agreement, provided payments may be resumed when any such Default is timely cured and any payments missed due to an uncured Default also shall be paid from Available Tax Increment upon timely cure of such Default.

THIS MRO IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS MRO IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THIS MRO. FURTHER, NO PROPERTY OR OTHER ASSET OF THE

CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

Except as otherwise expressly provided for in the Development Agreement, this MRO may be transferred or assigned, in whole or in part, only upon prior written consent of the City which may be withheld, conditioned or delayed for any reason. Interests in this MRO may not be split, divided or apportioned, except as set forth herein. In order to transfer or assign the MRO, if permitted by the City, the transferee or assignee shall surrender the same to the City either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the City. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Sheboygan has caused this MRO to be signed on behalf of the City by its duly qualified and acting City Administrator and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF SHEBOYGAN

By: EXHIBIT
Name: _____, City Administrator

(SEAL)

Attest: EXHIBIT
Name: _____, City Clerk

Schedule 1

Payment Schedule

Subject to the City's actual receipt of Available Tax Increment and the terms and conditions of the Development Agreement (including, without limitation, the City's right to modify this payment schedule based upon market conditions and the actual and projected Available Tax Increment generated from the Project), the City shall make the following payments on the MRO to Developer:

Payment Date	Payment Amount
October 31, 2027	$_____
October 31, 2028	$_____
October 31, 2029	$_____
October 31, 2030	$_____
October 31, 2031	$_____
October 31, 2032	$_____
October 31, 2033	$_____
October 31, 2034	$_____
October 31, 2035	$_____
October 31, 2036	$_____
October 31, 2037	$_____
October 31, 2038	$_____
October 31, 2039	$_____
October 31, 2040	$_____
[October 31, 20__	$_____]
Total	Up to $[_____]

REGISTRATION PROVISIONS

This MRO shall be registered in registration records kept by the Clerk of the City of Sheboygan, Sheboygan County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this MRO may thereafter be transferred only upon presentation of this MRO together with a written instrument of transfer in form and substance acceptable to the City and duly executed by the registered owner or his/her/its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of [City Clerk]

EXHIBIT F

STREET PARKING WORK AREA

The Street Parking Work shall be performed in the area highlighted below.

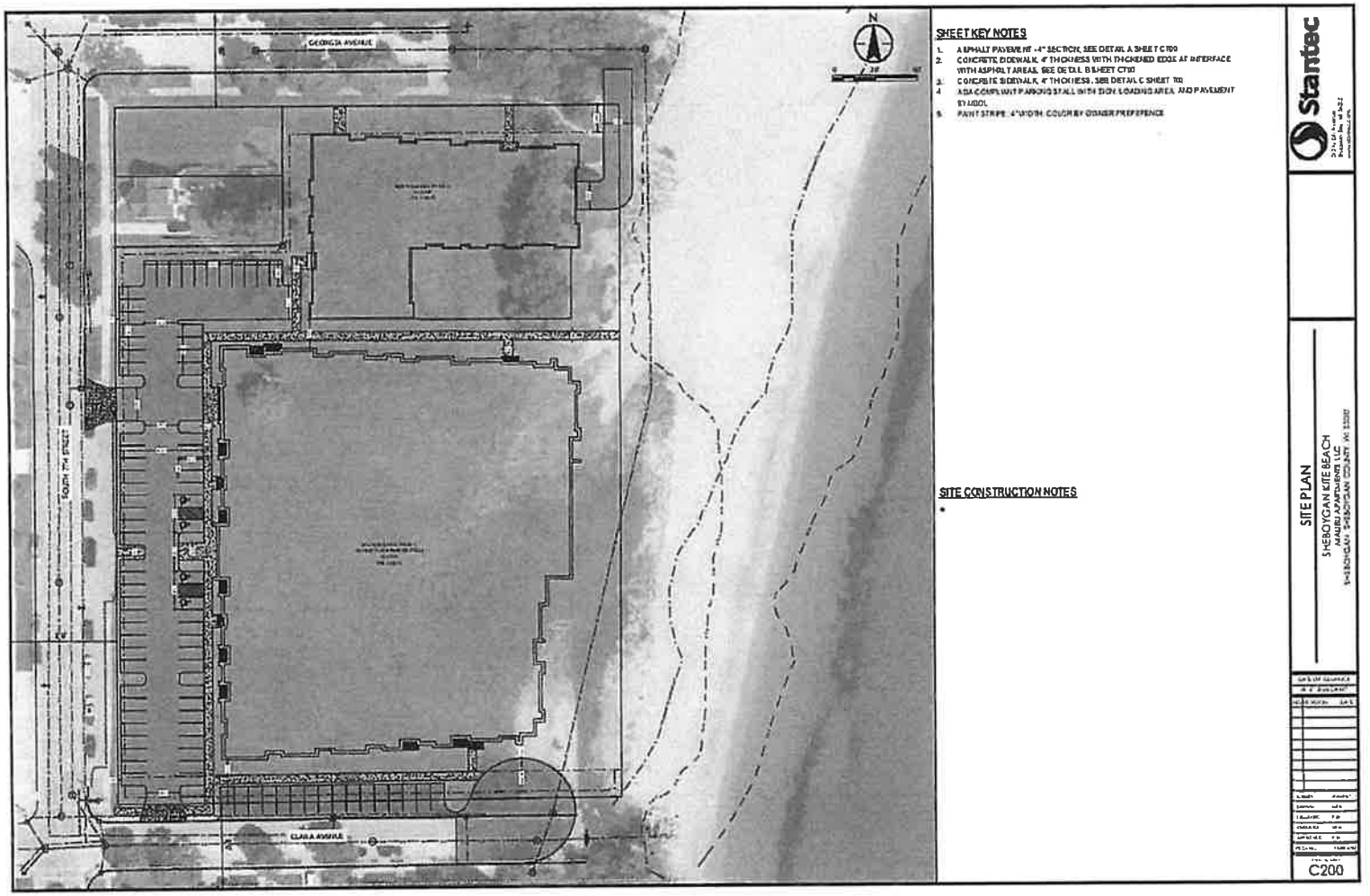


Exhibit F to First Amendment to Tax Incremental District Development Agreement

CITY OF SHEBOYGAN
RESOLUTION 89-26-27

BY ALDERPERSONS MITCHELL AND PERRELLA.

AUGUST 24, 2026.

A RESOLUTION authorizing the Finance Director to issue a "Taxable Tax Increment Project Municipal Revenue Obligation ("MRO") on such terms and conditions as set forth in that certain "Tax Incremental District Development Agreement" dated as of November 2024 between the City of Sheboygan and Luedke Apartments, LLC f/k/a Jakum Hall Apartments, LLC, a Wisconsin limited liability company (the "Developer") and the Redevelopment Authority of the City of Sheboygan, Wisconsin ("RDA") and attached hereto as EXHIBIT A (the "Development Agreement").

WHEREAS, the City of Sheboygan, Wisconsin created Tax Incremental District No. ("TID 24") for the purpose of promoting redevelopment; and

WHEREAS, Luedke Apartments, LLC has agreed to construct and install certain improvements on the real estate (as described in greater detail in EXHIBIT A of the Development Agreement, the "Real Estate") in TID 24 (the "Project"); and

WHEREAS, in order to further its development efforts in TID 24, the City agrees to apply a portion of the tax increment revenues from TID 24 to reimburse Developer for a portion of the costs of the Project as a consideration for the other benefits provided to the City by Developer, in accordance with the terms of the Development Agreement; and

NOW, THEREFORE, BE IT RESOLVED: That the Finance Director is authorized to issue the City's MRO on such terms and conditions as set forth in the Development Agreement in consideration for the obligations undertaken by the Developer in constructing the Project and as otherwise set forth in the Development Agreement. The MRO shall be in the principal amount of $1,160,000 and shall not bear any interest.

The MRO shall be payable in installments of principal due on October 31 in each of the years and in the amounts of Available Tax Increment for such year as set forth in the Development Agreement.

The MRO shall be signed by the manual or electronic (e.g., DocuSign or other similar technology) signatures of the Mayor and Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the MRO, at least one of such signatures shall be manual), and sealed with the corporate seal of the City, or an electronic transmission thereof.

The MRO shall be in substantially the form set forth in the attached Development Agreement.

The MRO shall be payable only out of the "Special Redemption Fund" (the "Fund"), as hereinafter provided, and shall be a valid claim of the owner thereof only against the Fund and from the revenues pledged to such Fund, and shall be payable solely from "Available Tax Increment" (as defined in the Development Agreement) derived from the Real Estate which have been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the City Council to the payment of the MRO.

As stated above, the application of Available Tax Increment to payment of the MRO is subject to annual appropriation by the Common Council. However, and without in any way limiting the foregoing appropriation powers, the City fully expects and anticipates that to the extent Available Tax Increment is generated by the Real Estate it will appropriate, in each year, the Available Tax Increment to the payment of the principal of the MRO.

BE IT FURTHER RESOLVED: That for the purpose of the application and proper allocation of the Available Tax Increments, and to secure the payment of the principal of the MRO, the Fund is hereby created and shall be used solely for the purpose of paying principal of the MRO in accordance with the provisions of the MRO and this Resolution.

The City shall deposit in the Fund the Available Tax Increment received by the City attributable to the Real Estate. The monies on deposit in the Fund shall be used to pay principal on the MRO.

Uninvested money in the Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the City as public depositories under the laws of Wisconsin. Such deposits of Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the City.

Money in the Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the MRO. All income from such investments shall be deposited in the Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Fund.

All Available Tax Increment shall be deposited in the Fund, and no other fund is created by this Resolution.

On each Payment Date, the City shall apply Available Tax Increment that has been: (a) received by the City with respect to the Real Estate during that calendar year, and (b) appropriated by the City Council to the payment of the MRO.

If on any Payment Date there shall be insufficient Available Tax Increment appropriated to pay the principal due on the MRO, the amount due but not paid shall accumulate and be payable on the next Payment Date until the Final Payment Date. The City shall have no obligation to pay any amount of principal on the MRO which remains unpaid after the Final Payment Date.

As provided in Section 6.1 of the Development Agreement, the total amount of principal to be paid on the MRO shall not exceed $1,160,000.00. When that amount of Available Tax Increment has been appropriated and applied to payment of the MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect thereto.

BE IT FURTHER RESOLVED: That the City Clerk shall keep books for the registration and for the transfer of the MRO. The person or entity in whose name any MRO shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payments on the MRO shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such MRO to the extent of the sum or sums so paid.

The MRO may be transferred or assigned, in whole or in part, by the registered owner thereof only with the consent of the City and with the satisfaction of all other assignment requirements set forth in the MRO and the Development Agreement, by surrender of the MRO at the office of the Clerk of the City accompanied by an assignment duly executed by the registered owner or such registered owner's attorney-in-fact duly authorized in writing. Upon such transfer or assignment, the Clerk of the City shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the MRO and re-issue the MRO (or a new MRO of like aggregate principal amount and maturity).

BE IT FURTHER RESOLVED: That the Mayor, the City Clerk, the City Administrator and the appropriate deputies and officials of the City in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the MRO.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the MRO), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the City.

BE IT FURTHER RESOLVED: That if any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

EFFECTIVE DATE: This Resolution shall be effective immediately upon its passage and approval.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer

_____

Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____

Meredith DeBruin, City Clerk, City of Sheboygan

EXHIBIT A

DEVELOPMENT AGREEMENT

[SEE ATTACHED]

EXECUTION VERSION

TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT (the "**Agreement**") is entered into as of November [____], 2024 (the "**Effective Date**") by and among the CITY OF SHEBOYGAN, WISCONSIN (the "**City**"), a Wisconsin municipal corporation, Jakum Hall Apartments, LLC , a Wisconsin [limited liability company] ("**Developer**") and the REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN ("**RDA**").

RECITALS

A. The City created Tax Incremental District No. 24 ("**District**") as a blight tax increment district under the City's proposed project plan (the "**Project Plan**") in order to finance various project costs within the District subject to approvals by the City's Common Council and the Joint Review Board for the District pursuant to Wis. Stat. § 66.1105 (the "**TI Act**").

B. The RDA owns the real property located in the District described in greater detail in Exhibit A attached hereto and incorporated herein by reference (collectively, the "**Property**").

C. The RDA shall convey to Developer the Property pursuant to the terms and conditions of this Agreement.

D. Developer, pursuant to the terms and conditions of this Agreement, is obligated to, among other things, construct thirty-three (33) townhome style apartments on the Property consisting of eleven (11) one-bedroom units, eleven (11) two-bedroom units, and eleven (11) three-bedroom units with Affordable Rental Rates (as defined below) for Sheboygan County (the "**Project**").

E. Developer acknowledges that but for the conveyance of the Property as contemplated herein and the MRO (as defined below) provided by the City in this Agreement, Developer would not move forward with the Project.

F. The City believes it is appropriate to use tax increments from the District to provide for, among other things, the MRO for the benefit of the District to facilitate development and redevelopment within the District.

G. The City further believes that the Project, as described in this Agreement, is in the best interests of the City and its residents and is reasonably consistent with the public purposes and the development expectations of the City, including, but not limited to, expanding housing, tax base and employment opportunities within the City.

NOW, THEREFORE, the City, Developer and RDA in consideration of the terms and conditions contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, each agrees as follows:

EXECUTION VERSION

AGREEMENT

ARTICLE I – REQUIRED INFORMATION; TERMINATION

1.1 Required Information. Neither the City nor the RDA shall have any obligations under this Agreement, and shall have the right to terminate this Agreement in accordance with the provisions of Section 1.2 below, if the Required Information (as defined below) has not been timely provided by the Developer to the City and the RDA in form and substance reasonably acceptable to the City and the RDA. On or before June 1, 2025, Developer shall provide to the City and the RDA the following required information related to the Project by the applicable date set forth below (collectively, the "**Required Information**") and such other documentation as the City or the RDA may request, both in form and in substance acceptable to the City and the RDA:

(a) A schedule for the construction of Developer Improvements (as defined below) and identifying the following for the Project:

(i) Intended commencement and completion date,

(ii) Reasonably estimated costs associated with the construction, and

(iii) Reasonably estimated value, upon completion, of the intended improvements to be constructed on the Property.

(b) An estimated cost breakdown and construction budget summary listing the intended cost of each improvement and construction expense for the Project, including, without limitation, all hard costs and soft costs, and the cost breakdown and budget shall be certified in writing by Developer and Developer's general contractor.

(c) All documents authorizing the acquisition of the Property and the construction and financing of the Project and directing the appropriate officer of Developer to execute and deliver this Agreement and all other agreements, documents and contracts required to be executed by it in connection with the transactions which are the subject of this Agreement (including, without limitation, authorizing resolutions of Developer).

(d) Documentation confirming that Developer has complied with all necessary federal, state, county, and municipal laws, ordinances, rules, regulations, directives, orders, and requirements necessary to obtain the governmental approvals and permits relating to the Project. Developer shall also provide copies of all approvals by all applicable government bodies and agencies (including, without limitation, municipal or state issued building permits for the Project).

(e) A copy of the final construction plans and complete specifications for the intended construction related to the Project that are consistent with the provisions of this Agreement (the "**Final Plans**"). The Final Plans must be certified as final and complete (for purposes of obtaining all necessary permits and approvals) and be signed by Developer, the consulting engineer, architect and the general contractor (as applicable) and approved by the City in writing.

1.2 Termination Rights. If Developer fails to fully and timely provide the Required Information, as determined in the discretion of the City or the RDA, Developer shall be in Default under this Agreement. If Developer does not provide such Required Information within thirty (30) calendar days after the City or the RDA provides Developer written notice of such Default(s), the City or the RDA shall have the right to terminate this Agreement and shall have no obligation to perform any act under this Agreement (including, without limitation, issuing the MRO).

ARTICLE II – CONVEYANCE OF THE PROPERTY

2.1 Property to be Conveyed. Subject to the terms and conditions set forth in this Agreement (including, without limitation, ARTICLE I above), the RDA shall convey the Property and all improvements thereon to the Developer as set forth in this Agreement.

2.2 General Terms and Conditions. The conveyance of the Property to the Developer shall be subject to the following terms and conditions:

(a) The Property shall be conveyed by special warranty deed in the form and substance attached hereto as Exhibit B (the "**Special Warranty Deed**") with good and marketable title, free and clear of all liens, claims, security interests, mortgages or encumbrances of any kind, except for municipal and zoning ordinances and agreements entered into under them, recorded easements, recorded building and use restrictions and covenants, the property tax exemption restriction and transfer restriction set forth in this Agreement (see Sections 2.4, 4.3 and 7.2 below) and the permitted encumbrances on the Property as set forth on Exhibit C attached hereto (collectively, the "**Permitted Encumbrances**");

(b) Title to the Property shall be insured by a policy of title insurance, or a binding commitment for such title policy, that will be effective as of the closing date and insure the quality of title of the subject property as provided in Section 2.2(a) above but subject to standard title insurance exceptions, unless the grantee of the subject property, at such party's sole expense, takes all actions necessary to delete the standard title insurance exceptions to be deleted at closing;

(c) The Developer shall be responsible for paying all costs related to evidence of title in the form of a commitment for an owner's policy of title insurance with a gap endorsement, on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Further, Developer shall be responsible for obtaining any additional endorsements and paying for all premiums and costs associated with the owner's policy (and lender's policy, as applicable) of title insurance covering the Property in such amounts as may be determined by Developer. Each party hereto shall promptly execute and deliver to the other such other documents, certifications and confirmations as may be reasonably required and designated by the title insurer to issue the policies of title insurance described above;

(d) The taxes, assessments and utilities, if any, for the Property will be prorated on the closing date;

(e) The closing for the conveyance of the Property shall occur upon the earlier of: (1) the thirtieth (30) day following the City and RDA's receipt of the Commencement Notice (as defined below); or (2) another date agreed to by the RDA and Developer in writing, provided, in all respects, that there is no Default existing under this Agreement; and

(f) If the RDA conveys the Property to Developer, all of the Property is being conveyed "AS-IS, WHERE-IS" and "WITH ALL FAULTS," and the RDA is making no representations or warranties, express or implied, with respect to the condition of the subject property or improvements. Developer agrees that Developer is relying exclusively upon Developer's own inspection of the Property and improvements thereon. **DEVELOPER HEREBY WAIVES ANY AND ALL CLAIMS AGAINST THE RDA, THE RDA'S OFFICERS, OFFICIALS, MANAGERS, EMPLOYEES, ATTORNEYS, AGENTS AND REPRESENTATIVES, INCLUDING, WITHOUT LIMITATION, CLAIMS BASED IN TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, STRICT LIABILITY AND STRICT RESPONSIBILITY), IN CONTRACT, IN WARRANTY, IN EQUITY OR UNDER ANY STATUTE, LAW OR REGULATION ARISING DIRECTLY OR INDIRECTLY OUT OF ANY CONDITION OF THE PROPERTY OR IMPROVEMENTS THEREON, EXCEPT TO THE EXTENT SUCH CLAIMS ARISE SOLELY OUT OF THE FRAUD OR INTENTIONAL MISCONDUCT OF THE RDA.**

2.3 Consideration. At the time of the closing of the Property to the Developer, the Developer shall pay to the RDA a purchase price of One Dollar ($1.00) for the Property.

2.4 Property Tax Exemption Challenge Restriction. The Special Warranty Deed for the Property shall include a covenant affecting the Property (and running with the land for the life of the District) that prohibits all current and future owners or users of (including any other party with an interest – whether ownership, leasehold or otherwise – in) all or any portion of the Property from using or permitting the use of all or any portion of the Property in any manner which would render the Property exempt from property taxation.

ARTICLE III – COMMENCEMENT NOTICE AND DEVELOPER IMPROVEMENTS

3.1 Commencement Notice. Developer shall provide a written notice to the City of Developer's intention to commence the Project on or before June 1, 2025 (the "**Commencement Notice**"). To be effective, the Commencement Notice shall be accompanied by, or Developer shall have previously delivered to the City, all of the Required Information. If Developer does not timely provide the Commencement Notice and all of the Required Information to the City, Developer will be deemed to not be ready to develop the Project and be in Default under this Agreement. If Developer does not timely cure any and all Default(s) within thirty (30) calendar days after the City or the RDA provides Developer written notice of such Default(s), the City or the RDA shall have the ability to exercise all remedies available in this Agreement, in equity and at law (including, without limitation, terminating this Agreement) and the City shall have no obligation to issue the MRO and the RDA shall have no obligation to convey the Property to the Developer until all such Defaults are cured, provided the City or the RDA does not terminate this Agreement prior to such Defaults being cured. If the City or the RDA terminates this Agreement

prior to all Defaults being cured, then neither the City nor the RDA has any responsibility or obligation to perform any actions otherwise required by them under this Agreement.

3.2 **Developer Improvements**. Developer shall undertake, at Developer's own expense, the following improvements, obligations and work on the Property materially consistent with the Final Plans and all applicable laws, regulations and ordinances (collectively, the "**Developer Improvements**"):

(a) Developer shall construct and timely complete the Project. Developer shall commence construction of the Project (commencement is evidenced by commencing the installation of footings for the building(s)) as set forth in the site plan attached as Exhibit D) on or before June 30, 2025 (the "**Commencement Date**"). Upon such commencement, Developer shall proceed to the fully-satisfy and complete all of the improvements, obligations and work set forth in this Section 3.2 with due diligence and without unreasonable delay or interruption (with the exception of Force Majeure Events (as defined below), if any. On or before December 31, 2026 (the "**Completion Date**"), the Project shall be completed and all units shall be immediately available for occupancy.

(b) Developer shall promptly pay for all applicable City impact fees and charges related to the Project. As additional consideration to Developer for this Agreement, and so long as no Default occurs under this Agreement, the City agrees to defer the due date for the payment of impact fees to on or before thirty (30) calendar days after the earlier of Developer receiving: (i) a certificate of occupancy for all residential units in the Project, or (ii) a certificate of substantial completion from Developer's architect for the Project.

(c) Developer shall be responsible for all landscaping on the Property, including, without limitation, trees, shrubs, seeding or sod related to the Project.

(d) Developer shall install, or have installed on the Property, all electric, gas, fiber-optic, telephone and cable services and all improvements for the use and operation of the Project.

(e) Developer shall install, or have installed, all sanitary sewer and water laterals on the Property, as well as connections of such laterals to new or existing sewer and water mains.

(f) Developer shall install, or have installed, all storm water drainage systems and facilities on the Property, including drain tiles, pipes, detention ponds and retention ponds, consistent with all applicable laws, regulations and specifications for such systems and facilities.

(g) Developer shall be responsible for all erosion control measures related to Project and the construction of all improvements on the Property.

(h) Developer shall be responsible for all costs related to the work to be performed by Developer under this Agreement, including, but not limited to, all

engineering, inspections, materials, labor, water, sanitary sewer, impact fees, permit and license fees and any and all other fees related to the Project.

The obligations on Developer under this Agreement shall be deemed covenants running with the land and shall be applicable to Developer's successors and assigns and all other persons or entities acquiring any interest in the Property during the term of the District.

3.3 Progress and Quality of Work. Upon commencement of the Developer Improvements, Developer shall proceed to the full completion of all of the Developer Improvements with due diligence and without delay or interruption with the exception of Force Majeure Events and City Delays (as defined below). The completion of the Project shall occur on or before the Completion Date. All work to be performed by or on behalf of Developer related to the Project shall be performed in a good and workmanlike manner, consistent with the prevailing industry standards for such work in the area of the City.

3.4 Compliance Obligations. All of the Developer Improvements shall be completed in accordance with all applicable laws, regulations, ordinances and building and zoning codes, and Developer, at Developer's sole cost, shall obtain and maintain all necessary permits and licenses for the Developer Improvements.

3.5 Indemnification. Developer hereby expressly agrees to indemnify and hold the City harmless from and against all claims, costs and liability related to any damage to the Property or injury or death to persons caused by Developer's performance of the Developer Improvements or any other work required of Developer under this Agreement, unless the cause is due to the willful misconduct by the City.

3.6 Compliance with Law. Developer shall comply with all applicable laws, ordinances, and regulations in effect at the time of final approval and any time thereafter when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, Developer shall be subject to any applicable laws, ordinances and regulations that become effective after approval.

3.7 Payment of Taxes. Developer shall timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due.

3.8 Time is of the Essence. Time is of the essence with reference to Developer's obligation to commence and complete the Developer Improvements. Developer acknowledges that the timely performance of its respective work under this Agreement is critical to the collection of the tax increment upon which the parties are relying for the performance of their respective obligations under this Agreement.

3.9 Reconstruction. Until the District is closed, in the event of any casualty, loss or damage to the improvements on the Property (each a "**Reconstruction Event**"), Developer shall proceed diligently with the repair and replacement of such improvements on the Property affected by such Reconstruction Event and restore such improvements to at least the condition and quality that such improvements were in, and with an equalized value at least equal to the Equalized Value (as defined below), immediately prior to the Reconstruction Event (each an "**Uncured Casualty Loss**"). Except as a result of a subsequent Force Majeure Event after a Reconstruction Event, in

no event shall Developer take longer than one hundred eighty (180) calendar days after the date of such Reconstruction Event to restore the affected improvements. If Developer fails to timely comply with all of the requirements in this Section 3.9, Developer shall be in Default under this Agreement and the City shall be entitled to the remedies set forth in this Agreement and any other remedies available in equity or applicable law.

ARTICLE IV– DEVELOPER GUARANTY AND OBLIGATIONS

4.1 Guarantied Value. The parties anticipate that, upon completion, the currently contemplated land and improvements related to the Project will have an equalized value for purposes of real property assessment ("**Equalized Value**") of not less than Five Million Eight Hundred Thousand Dollars ($5,800,000.00; the "**Guarantied Value**") by December 31, 2026 (the "**Guarantied Value Date**"). As a condition to entering into this Agreement, the City requires that Developer guaranty a minimum Equalized Value for the land and improvements related to the Project. By executing this Agreement, Developer and Jacob Buswell (the "**Guarantor**") each hereby jointly and severally guaranties that, on and after the Guarantied Value Date, the Equalized Value of the land and improvements on the Property shall at all times during the life of the District be at least the Guarantied Value. If the Equalized Value of the Property is less than the Guarantied Value any time on or after the Guarantied Value Date, the Developer shall be in Default under this Agreement.

4.2 Failure to Construct. If Developer provides a Commencement Notice as required by Section 3.1 above but does not timely complete construction of the Project as herein provided, then Developer and Guarantor shall pay to the City all sums incurred by the City with regard to the preparation and drafting of this Agreement and all other costs or expenses related to the Project that are not recoverable from Tax Increments (as defined below). All repayments shall be completed within thirty (30) calendar days after Developer's non-performance or Default under this Agreement.

4.3 Guaranty Obligations. If on or any time after the Guarantied Value Date, whether as a result of a Reconstruction Event or otherwise, the Equalized Value of the Property is less than the Guarantied Value (each a "**Shortfall Event**"), then Developer and Guarantor shall jointly and severally owe the City an amount equal to the difference between (a) the Tax Increment the City otherwise would have received on the Property if the Property's Equalized Value equaled the Guarantied Value, and (b) the Tax Increment received by the City in the year a Shortfall Event occurs (such difference between (a) and (b) being referred to herein as the "**Tax Increment Shortfall**"). If a Tax Increment Shortfall is owed to the City, then unless and until the Equalized Value of the Property increases to at least the Guarantied Value, for each January 1 following a Shortfall Event, that the Equalized Value of the Property is less than the Guarantied Value, Developer and the Guarantor, shall pay to the City an amount equal to the Tax Increment Shortfall for such calendar year. If and when the Equalized Value of the Property as of any January 1 is equal to or greater than the Guarantied Value: (i) the Default related to non-compliance with the Guarantied Value requirement shall be deemed cured, (ii) no further January 1 assessment valuations shall occur or be required, and (iii) no Tax Increment Shortfall payment obligation shall be incurred for such year or any year thereafter, unless a new Shortfall Event occurs. If a Tax Increment Shortfall continues through the closing of the District, no further Equalized Value assessment calculations shall occur and no further Tax Increment Shortfall

payment obligations of Developer or the Guarantor shall arise after the District is closed. Developer agrees that it shall not, and hereby waives any right to, during the life of the District, challenge the assessed value of the Property, if such assessed value is at or below the Guarantied Value.

4.4 Payment of Tax Increment Shortfall. Any Tax Increment Shortfall payment due to the City shall be deducted from any MRO payment (otherwise due Developer but for the Default) from the City during the year in which the Tax Increment Shortfall payment obligation arises. If the Tax Increment Shortfall payment exceeds the amount of such MRO payment, Developer and Guarantor shall pay to the City an amount equal to the difference between such MRO payment and the Tax Increment Shortfall. If there is no MRO payment due Developer for such year, Developer shall pay to the City the full amount of the Tax Increment Shortfall for such year. Any Tax Increment Shortfall payment due to the City from Developer pursuant to this ARTICLE IV shall be made within ten (10) days of written request for payment by the City.

ARTICLE V – ACCESS, INSPECTIONS AND CONTRACTORS

5.1 Access and Inspections. Developer hereby grants to the City, its agents, employees, officials, representatives, contractors and consultants the right to enter upon the Property at all reasonable times (upon at least twenty-four (24) hours' advance written notice to Developer) for the City to inspect the Property and the Project.

5.2 Inspections for City's Benefit Only. Each inspection conducted by the City or the City's agents shall be deemed to have been for the City's own benefit and shall in no way be construed to be for the benefit of or on behalf of Developer. Developer shall not (and hereby each waives any right to) rely in any way upon such inspections, appraisals or determinations of the City.

5.3 Contractors and Consulting Engineers. At any time, the City shall have the right to retain consulting engineers and architects to perform services for the City (which shall be at the City's expense, unless the City must perform inspections as a result of Developer's failure to meet the Final Plans then such expenses will be at Developer's expense) including, without limitation:

(a) to make periodic inspections with reasonable advance notice to Developer for the purpose of assuring that construction is in accordance with the Final Plans and the requirements of this Agreement;

(b) to advise the City of the anticipated cost of, and a time for, the completion of construction work; and

(c) to review and advise the City of any proposed changes in the construction of the Project.

The City's selection of, and reliance upon, the consulting engineers and architects shall not give rise to any liability on the part of the City for the acts or omissions of the consulting engineers or architects or their employees or agents.

Contractors selected for the Project shall be qualified in the City to perform the work, shall be licensed to do business in the State of Wisconsin, shall have experience in providing the type of work and materials required of Developer Improvements, and shall have a good reputation for diligent performance of their obligations under their respective contracts.

ARTICLE VI – MUNICIPAL REVENUE OBLIGATION

6.1 Municipal Revenue Obligation. Pursuant to the terms of this Agreement, the City agrees to issue to Developer, within ninety (90) calendar days after the City's receipt of the Commencement Notice, a non-interest-bearing municipal revenue obligation (the "**MRO**"). The amount paid under the MRO shall equal ***the lesser of***: (a) One Million One Hundred Sixty Thousand Dollars ($1,160,000.00), and (b) the sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date (as defined below).

Except as otherwise provided herein, payments on the MRO will equal the Available Tax Increment in each year appropriated by the City's Common Council until and including ***the earlier of*** the date this Agreement is terminated, the date the District is terminated, the Final Payment Date and the date the MRO is paid in full. "**Available Tax Increment**" means an amount equal to seventy-five percent (75%) of the Tax Increment actually received by the City and appropriated by the City's Common Council in each year **less** the following (collectively, the "**Priority Project Costs**"): (i) all debt service payments incurred or to be incurred by the City in a given year for work performed or to be performed with regard to the Project or the Property; (ii) the amount of the City's administrative expenses, including, but not limited to, reasonable charges for the time spent by City employees in connection with the negotiation and implementation of this Agreement, (iii) professional service costs, including, but not limited to, those costs incurred by the City for outside architectural, planning, engineering, inspections, financial consulting and legal advice (including, without limitation, attorneys' costs and fees) and services related to the negotiation and implementation of this Agreement, and (iv) other eligible project costs previously incurred by the City in preparation for this Project or to be incurred by the City under the Project Plan, including, without limitation, site preparation and costs and expenses related to the Property or the Project provided such eligible project costs are not financed by the debt service referenced in (i) above. Any Priority Project Cost not paid due to insufficient Tax Increment shall be carried forward and paid from Tax Increment in the next year, or if necessary, following years until fully paid. "**Tax Increment**" shall have the meaning given under Wis. Stat. § 66.1105(2)(i) but shall be limited to the Tax Increment attributable to the Project and the land and improvements on the Property.

Provided that Developer is not in Default under this Agreement, the City shall, subject to annual appropriation of such payment by the City's Common Council, pay the Available Tax Increment, if any, to the holder of the MRO in one annual payment, on or before October 31st of each year commencing on October 31, 2027, and continuing to (and including) the earlier of the date the MRO is paid in full or October 31, 2051 (each, a "**Payment Date**"). Notwithstanding the previous sentence, in the event that Developer is in Default on a Payment Date, payment by the City may be suspended until all outstanding Defaults are cured.

To the extent that on any Payment Date the City is unable to make all or part of a payment of principal due on the MRO from such Available Tax Increment due to an absence of adequate Available Tax Increment, non-appropriation by the City's Common Council or otherwise, such

failure shall not constitute a default by the City under the MRO. The amount of any such deficiency shall be deferred without interest. The deferred principal shall be due on the next Payment Date on which the City has the ability to payout Available Tax Increment. The term of the MRO and the City's obligation to make payments hereunder shall not extend beyond the earlier of October 31, 2051 (the "**Final Payment Date**") or the date the MRO is paid in full. If the MRO has not been paid in full by the Final Payment Date, then the City shall have no obligation to make further payments on the MRO. Upon the earlier of the date the MRO is paid in full and the Final Payment Date, the MRO shall terminate and the City's obligation to make any payments under the MRO shall be fully discharged, and the City shall have no obligation and incur no liability to make any payments hereunder or under the MRO, after such date.

The MRO shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability thereon or be deemed to have obligated itself to pay thereon from any funds except the Available Tax Increment which has been appropriated for that purpose, and then only to the extent and in the manner herein specified. The MRO is a special, limited revenue obligation of the City and shall not constitute a general obligation of the City. The City will use good faith efforts to annually appropriate the Available Tax Increment for the MRO, until the earlier of the Final Payment Date, the termination of this Agreement or the MRO, or the payment in full of the MRO as provided herein. If Available Tax Increment is received by the City earlier than the first Payment Date, the applicable portion of such increment shall be retained by the City and applied to the first payment subject to appropriation by the City Common Council. Developer shall not have the right to assign the MRO except as set forth therein. Interests in the MRO may not be split, divided or apportioned.

6.2 MRO Form. The MRO shall be substantially in the form attached to this Agreement as Exhibit E (which is incorporated herein by reference) and shall be payable in accordance with the terms and conditions set forth in this Agreement and such MRO. In the event of a conflict between the terms of this Agreement and the terms of the MRO, the terms in this Agreement shall prevail. The principal payments shall be payable solely from the Available Tax Increment appropriated by the City. On or about each Payment Date under the MRO, the City shall provide to Developer an accounting identifying the Available Tax Increment, the amount of the payment being made on such Payment Date, and, if applicable, the remaining principal balance due on the MRO after the application of such payment.

6.3 Issuance of MRO and Payment Limitation. Provided that Developer is not in Default under this Agreement beyond the applicable cure period (if any), the City will deliver the MRO to Developer within ninety (90) calendar days after the City's receipt of the Commencement Notice. Notwithstanding the previous sentence, in the event that Developer is in Default prior to the City's issuance of the MRO, the City shall not be required to deliver the MRO to Developer until a reasonable time after, but in no event less than thirty (30) calendar days after, all such Defaults are cured, provided each Default is cured within the applicable cure period for such Default. If the City does not timely provide the MRO to Developer, the Developer shall make a written request to the City to deliver the executed MRO within thirty (30) calendar days after the date of such written request by the Developer. The total amount of principal to be paid under the MRO shall in no event exceed ***the lesser of***:

(a) One Million One Hundred Sixty Thousand Dollars ($1,160,000.00); and

(b) The sum of all payments made by the City on the MRO during the life of the District but in no event after the Final Payment Date.

The City's obligation to make payments on the MRO is conditioned on the requirement that Developer is not in Default under this Agreement. For the avoidance of any doubt, upon the occurrence of a Default, the City may suspend all payments until the Default is cured and, upon the expiration of all applicable cure periods for such Default, the City may exercise any and all available remedies.

6.4 Payment of Priority Project Costs and Repayment Schedule. From the Tax Increment received by the City each year, the City shall first pay the outstanding Priority Project Costs. The estimated repayment schedule of the MRO shall be set forth in Schedule 1 to the MRO. The City reserves the right to modify the MRO repayment schedule based upon market conditions, applicable Priority Project Costs and the actual and projected Available Tax Increment generated from the Project. The Available Tax Increment held by the City each year shall be applied to the payment of principal due on the MRO in accordance with the terms of the MRO until a maximum payout has been made (which equals the Available Tax Increment for a given year or when, in the aggregate, all payments made on the MRO equal the face amount of the MRO), subject to appropriation by the City Common Council.

ARTICLE VII– ZONING, LAND USE AND RESTRICTIVE COVENANT

7.1 Zoning Compliance. The Project shall be in compliance with the applicable zoning ordinance and land use guidelines applicable to the Property and shall be subject to the payment of any applicable impact fees in the amounts applicable at the time each required permit is issued, unless otherwise provided herein. Nothing in this Agreement shall obligate the City to grant variances, re-zoning, exceptions or conditional use permits related to the Project.

7.2 Tax Status/Restrictive Covenant. Without the prior written consent of the City (which may be withheld for any reason), Developer shall not use or permit the use of any of the Property in any manner which would render any portion of the Property exempt from property taxation during the life of the District. Further, Developer will not challenge or contest any assessment on the Property by the City if such assessment is at or below the Guarantied Value, including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding. Prior to the conveyance of all or any portion of the Property, Developer agrees to record on the Property with the Sheboygan County Register of Deeds a deed restriction or restrictive covenant evidencing the restrictions on the Property set forth in this Section 7.2. The foregoing deed restrictions or restrictive covenants shall permit, but shall not obligate, the City to enforce such deed restrictions or restrictive covenants and shall be in form and in substance acceptable to the City. This provision and the deed restrictions or restrictive covenants shall continue to be applicable until the termination of the District. However, Developer shall not have a continuing obligation for compliance with this provision as to any portion of the Property in which Developer no longer maintains any interest (whether as owner, tenant, occupant or otherwise) provided that Developer has timely recorded the deed restriction or restrictive covenant as approved by the City.

7.3 Land Dedications, Transfers and Easements for the Project. Developer agrees to make such land dedications and to grant such temporary or permanent easements as are required by the City for the construction and maintenance of the Project. All documentation for such dedications or easements shall be in form and substance acceptable to the City and Developer. Developer agrees to cooperate with the City if the City desires to prepare certified survey maps or other documentation as deemed appropriate by the City to facilitate the implementation and documentation of such dedications and easements and to adjust the lot lines of the Property in a manner reasonably acceptable to the City and Developer.

ARTICLE VIII – ASSIGNMENTS AND CHANGES OF CONTROL

8.1 Assignments and Change of Control. Except as otherwise permitted in this Section 8.1 and subject to Section 14.1 below, this Agreement and the MRO shall not be assignable by Developer without the prior written consent of the City and the RDA (which may be withheld by the City or the RDA for any reason). The ownership or control of Developer shall not be transferred to any person or entity without the prior written consent of the City and the RDA (which may be withheld by the City or the RDA for any reason). The prohibition on the transfer of ownership or control shall not be applicable in the event of the death of a member and the interest being transferred is the deceased member's interest. The term "ownership or control" shall mean twenty percent (20%) or more of the Ownership Interests in Developer. For the purposes of this Agreement, "**Ownership Interests**" shall mean the members' rights to share in distributions and other economic benefits of Developer, the members' rights to participate in decision making, or both. The current members of Developer are identified on Exhibit F attached hereto and incorporated herein by reference.

If the City and the RDA consents to an assignment of this Agreement by the then current Developer (the "**Assigning Developer**") to an assignee (an "**Approved Assignee**"), in order to effectuate the contemplated assignment of this Agreement, such Approved Assignee shall execute any and all documents required by the City and the RDA (in form and substance acceptable to the City and the RDA and in the City's and the RDA's discretion) to confirm that the Approved Assignee is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement (the "**Approved Assignee Documents**"). Upon the City and the RDA confirming receipt of such Approved Assignee Documents, such Approved Assignee shall become Developer (replacing such Assigning Developer) for purposes of this Agreement and responsible for all Developer obligations under this Agreement as of the date of such Approved Assignee Documents (the "**Assignment Date**"). The Assigning Developer shall remain liable for all obligations, costs, expenses, liabilities or otherwise of the Developer under this Agreement that arise out of, are due or owing or result from any act or omission of the Assigning Developer prior to the Assignment Date, and the Assigning Developer shall be released from all further liabilities and obligations under this Agreement arising on or after the Assignment Date. The Assigning Developer shall not assign this Agreement to any other party or person other than an Approved Assignee. Any assignment to a party or person other than an Approved Assignee shall be null and void and of no force and effect under the terms of this Agreement and the Assigning Developer shall remain liable as the Developer under this Agreement.

Notwithstanding any provision herein to the contrary, this Agreement and the MRO may be collaterally assigned to a mortgage lender financing the development and completion of the

Project (the "**Lender**"). If Lender intends to foreclose on its collateral and intends to succeed in ownership to any or all of the Property, such Lender shall execute and deliver any and all documents required by the City and the RDA (in form and substance acceptable to the City and the RDA and in the City's and the RDA's discretion) to confirm that such Lender is bound by the terms of this Agreement and agrees to perform all of Developer's obligations set forth in this Agreement.

ARTICLE IX – DEVELOPER REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Developer Representations, Warranties and Covenants. Developer represents, warrants and covenants that:

(a) Developer is a limited liability company duly formed and validly existing in the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on its business or financial condition;

(b) Developer has full authority to execute and perform this Agreement and has obtained all necessary authorizations (whether by official board resolution or action, unanimous written consent in lieu of a meeting or otherwise) to enter into, execute, perform and deliver this Agreement;

(c) the execution, delivery, and performance of Developer's respective obligations pursuant to this Agreement will not violate or conflict with (i) Developer's articles of organization, operating agreement or any indenture, instrument or agreement by which it is bound, (ii) any other agreement to which Developer is a party, or (iii) any law applicable to Developer or the Project;

(d) this Agreement constitutes (and any instrument or agreement that Developer is required to give under this Agreement when delivered will constitute) legal, valid, and binding obligations of Developer enforceable against Developer in accordance with their respective terms;

(e) Developer will use commercially reasonable efforts to complete the development and construction of Developer Improvements and the Project in a good and workmanlike manner and in accordance with all applicable statutes, ordinances and regulations, any restrictions of record and the Final Plans provided to the City regarding the Project;

(f) Developer will not make or consent to any material modifications to the Final Plans without the prior written consent of the City;

(g) Developer will discharge all claims for labor performed and materials, equipment, and services furnished in connection with the construction of Developer Improvements and the Project; nothing contained in this Agreement shall require Developer to pay any claims for labor, services or materials which it, in good faith,

disputes and is currently and diligently contesting, provided, however, that Developer shall, within thirty (30) calendar days after the filing (or the assertion) of any claim of lien that is disputed or contested by Developer, obtain and record (if required by the City) a surety bond sufficient to release said claim or lien or provide the City with other such assurances that the City may require;

(h) Developer will take all commercially reasonable steps to forestall claims of lien against the Property (any part thereof or right or interest appurtenant thereto) or any personal property and fixtures located or used in connection with the Property;

(i) Developer will maintain, at all times during construction, a policy of builder's risk completed value and contractor's multiple perils and public liability, extended coverage, vandalism and malicious mischief hazard insurance covering the Property in at least the amount of the full replacement, completed value of the Project improvements on the Property;

(j) Developer will timely pay and discharge all taxes, assessments and other governmental charges upon the Property when due, as well as claims for labor and materials which, if unpaid, may become a lien or charge upon the Property;

(k) Developer will promptly furnish to the City, during the term of this Agreement, written notice of any litigation affecting Developer and any claims or disputes which involve a material risk of litigation against Developer that could impact Developer being able to timely commence, timely continue or timely complete the Project;

(l) Developer shall deliver to the City revised statements of estimated costs of the construction for Developer Improvements showing material changes in or variations from the original cost statement provided to the City within a reasonable time after such changes are known to Developer;

(m) Developer shall provide to the City, promptly upon the City's request, any information or evidence deemed reasonably necessary by the City related to performance of Developer under this Agreement to enable the City to timely and accurately complete any accounting or reporting requirements applicable to the City related to the transactions under this Agreement;

(n) to Developer's actual knowledge, no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Developer is pending or threatened, and no other event has occurred which may materially adversely affect Developer's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the City in writing;

(o) subject to the terms of this Agreement, it shall not at any time challenge or contest any assessment on the Property by the City including, but not limited to, filing any objection under Wis. Stat. Section 70.47, Wis. Stat. Section 74.37, or any Department of Revenue related assessment proceeding, if such assessment is at or below the Guarantied Value;

(p) at all times during the life of the District, the rents charged on each housing unit comprising the Project will not be more than the Affordable Rental Rates then in effect as of the date of the lease (and as of the date of each extension thereto) for the applicable housing unit type (e.g., one-bedroom unit, two-bedroom unit or three-bedroom unit); and

(q) on or before February 15 of each calendar year during the life of the District, Developer shall provide the City with certified rent rolls of all leases on the Property as of December 31 of the immediately preceding calendar year.

For purposes of this Agreement, "**Affordable Rental Rates**" means affordable rental rates by applicable housing unit type (e.g., one-bedroom unit, two-bedroom unit or three-bedroom unit) as published on the City of Sheboygan Planning and Development Department's website (https://www.sheboyganwi.gov/departments/planning-development/).

9.2 Execution Representations and Warranties. The person(s) signing this Agreement on behalf of Developer represent(s) and warrant(s) that he/she/they have full power and authority to execute this Agreement on behalf of Developer and to bind Developer to the terms and conditions of this Agreement.

9.3 Cooperation. Developer warrants that it shall exercise all commercially reasonable diligence and expend all commercially reasonable efforts to undertake its obligations under this Agreement.

ARTICLE X – CITY REPRESENTATIONS

10.1 City Representations. The City represents that:

(a) The City is a body politic of the State of Wisconsin with full power and authority to enter into this Agreement and that all statutory procedures and requirements have been followed, fulfilled and satisfied in connection with the approval of this Agreement and the authorization of all City obligations required by this Agreement; and

(b) The individuals signing this Agreement on behalf of the City have full authority to do so and upon such execution by such individuals, this Agreement will constitute (and any instrument or agreement that the City is required to give under this Agreement when executed and delivered will constitute) legal, valid and binding obligations of the City enforceable against it in accordance with their respective terms.

ARTICLE XI – RDA REPRESENTATIONS

11.1 RDA Representations. The RDA represents that:

(a) The RDA is a corporation created under the laws of the State of Wisconsin with full power and authority to enter into this Agreement and that all statutory procedures and requirements have been followed, fulfilled and satisfied in connection with the approval of this Agreement and the authorization of all RDA obligations

required by this Agreement (including, without limitation, the conveyance of the City Property and the Property as proposed herein); and

(b) The individuals signing this Agreement on behalf of the RDA have full authority to do so and upon such execution by such individuals, this Agreement will constitute (and any instrument or agreement that the RDA is required to give under this Agreement when executed and delivered will constitute) legal, valid and binding obligations of the RDA enforceable against it in accordance with their respective terms.

ARTICLE XII – DEFAULTS

12.1 Default. Any one or more of the following shall constitute a "**Default**" under this Agreement.

(a) Developer fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to Developer (including, without limitation, a/an (i) untimely delivery of the Required Information, (ii) untimely completion of the Developer Improvements, (iii) untimely delivery of the rent rolls, or (v) default under any other agreement related to the Project) and Developer does not cure such failure within thirty (30) calendar days after receiving a written notice of such failure from the City or the RDA.

(b) Any representation or warranty made by Developer in this Agreement (including, without limitation, charging rent on any housing unit in excess of the Affordable Rental Rates for such housing unit type), any document related hereto or referenced herein or any financial statement, budget or Project cost delivered by Developer pursuant to this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

(c) Developer (or any permitted successor or assign of Developer) shall:

(i) become insolvent or generally not pay, or be unable to pay, or admit in writing its inability to pay, its debts as they mature,

(ii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets,

(iii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or file a petition in bankruptcy, for reorganization or to effect a plan, or other arrangement with creditors,

(iv) have a petition or application filed against it in bankruptcy or any similar proceeding, or have such a proceeding commenced against it, and such petition, application or proceeding shall remain undismissed for a period of ninety (90) calendar days or more, or such party, shall file an answer to such a petition or application, admitting the material allegations thereof,

(v) apply to a court for the appointment of a receiver or custodian for any of its assets or properties, or have a receiver or custodian appointed for any of its assets or properties, with or without consent, and such receiver shall not be discharged within sixty (60) calendar days after his appointment, or

(vi) adopt a plan of complete liquidation of its assets.

(d) The City fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to the City; or any representation made by the City in this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

(e) The RDA fails to timely or fully perform, or comply with, any one or more of its obligations or any of the terms or conditions of this Agreement or any document related hereto or referenced herein that is applicable to the RDA; or any representation made by the RDA in this Agreement shall prove to have been false or misleading in any material respect as of the time when made or given.

ARTICLE XIII – REMEDIES

13.1 Remedies. In the event of a Default, a non-defaulting party shall provide written notice to the defaulting party of the Default (the "**Default Notice**"); however, Developer shall not be entitled to a Default Notice or a right to cure in the event the Default occurs under Subsection 12.1(c) above.

(a) The Default Notice shall provide the defaulting party at least thirty (30) calendar days to cure a Default; however, the 30-day period shall be extended to the period of time reasonably necessary to cure the Default (in the event that such 30-day period is not sufficient time to reasonably cure such Default), if the defaulting party promptly commences activities to cure the Default in good faith and diligently pursues such activities to fully cure the Default, but, in no event, shall the period of time to cure the Default exceed ninety (90) calendar days from the date of the Default Notice, unless otherwise agreed to by the parties in writing.

(b) In the event a Default is not fully and timely cured by Developer, the City and the RDA shall have all of the rights and remedies available in law or in equity, including, but not limited to, all or any of the following rights and remedies, and the exercise or implementation of any one or more of these rights and remedies shall not bar the exercise or implementation of any other rights or remedies of the City or the RDA provided for under this Agreement:

(i) The City may refuse to issue any permits to Developer for the construction of Developer Improvements or any other improvements on the Property;

(ii) The City or the RDA may recover from Developer all damages, costs and expenses, including, but not limited to, attorneys' fees incurred by the

City or the RDA related to or arising out of each Default and the drafting and negotiation of this Agreement;

(iii) The City or the RDA may terminate or postpone its obligation to perform any one or more of its obligations under this Agreement, including, but not limited to, any payment obligations under the MRO or the conveyance of the Property, as applicable; or

(iv) The City or the RDA may terminate this Agreement.

(c) In the event the Default is not fully and timely cured by the City or the RDA, subject to Section 18.11 below, Developer shall have all of the rights and remedies available in law or in equity, which may include, without limitation, the recovery of all costs and expenses (including reasonable attorneys' fees), however, the City or the RDA, as applicable, shall not be liable for any punitive or consequential damages, the MRO shall only be paid out of Available Tax Increment and Developer may not perform any acts required to be performed by the City or the RDA under applicable law.

ARTICLE XIV– SUCCESSORS AND ASSIGNS

14.1 Successors and Assigns; Assignment. This Agreement, and all agreements, instruments and Exhibits entered into herewith, shall run with the Property and be binding upon and inure to the benefit of and be enforceable by the permitted successors and assigns of the parties hereto; however, this provision shall not constitute an authorization of Developer to assign or transfer its rights and obligations under this Agreement. Except as expressly provided for in Section 8.1 above, this Agreement shall not be assigned by Developer without the prior written consent of the City and the RDA, which consent may be withheld for any reason.

ARTICLE XV – TERMINATION

15.1 Termination. This Agreement shall not terminate until the earlier of:

(a) termination by the City of the District pursuant to §66.1105(7) of the TI Act,

(b) the date the MRO is paid in full, or

(c) termination of this Agreement by the City, the RDA or the Developer pursuant to the terms of this Agreement;

however, the parties hereto each agrees that the termination of this Agreement shall not cause a termination of the rights and remedies of the parties, respectively, under this Agreement as such rights and remedies expressly survive such termination.

ARTICLE XVI – NOTICES

16.1 Notices. Any notice given under this Agreement shall be deemed effective when: (a) personally delivered in writing; (b) a commercially recognized overnight delivery service

provides confirmation of delivery; or (c) the third calendar day after notice is deposited with the United States Postal Service (postage prepaid, certified with return receipt requested) and addressed as follows:

If to the City:

City of Sheboygan
Attention: City Administrator
828 Center Avenue, Suite 300
Sheboygan, WI 53081

City of Sheboygan
Attention: City Attorney
828 Center Avenue, Suite 210
Sheboygan, WI 53081

with a copy to:

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite 1000
Milwaukee, WI 53202

If to RDA:

Redevelopment Authority of the City of Sheboygan
Attn: Executive Director
828 Center Avenue, Suite 208
Sheboygan, WI 53081

If to Developer:

Jakum Hall Apartments, LLC
Attn: Jake Buswell
1525 Torrey View Drive
Sparta, WI 54656
jake.buswell@allamericandoitcenter.com

with a copy to:

Jakum Hall Apartments, LLC
Attn: Todd Page
1525 Torrey View Drive
Sparta, WI 54656
todd.page@allamericandoitcenter.com

ARTICLE XVII – APPLICABLE LAW

17.1 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Wisconsin. Any litigation related to this Agreement shall be brought in the state courts of the State of Wisconsin and the parties hereto agree to submit to the jurisdiction and venue of the Circuit Court for Sheboygan County, Wisconsin.

ARTICLE XVIII – MISCELLEANEOUS

18.1 Entire Agreement. This Agreement and all of the documents referenced herein or related hereto (and as any of the aforementioned documents have been or may be amended, extended or modified) embody the entire agreement between the parties relating to the transactions contemplated under this Agreement and all agreements, representations or understanding, whether

oral or written, that are prior or contemporaneous to this Agreement are superseded by this Agreement.

18.2 Amendment. No amendment, modification or waiver of any provision of this Agreement, nor consent to any departure by a party from any provision of this Agreement shall in any event be effective unless it is in writing and signed by each of the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which it is given by the respective party.

18.3 No Vested Rights Granted. Except as provided by law, or as expressly provided in this Agreement, no vested rights in connection with the Project shall inure to Developer nor does the City warrant by this Agreement that Developer is entitled to any required approvals, permits or the like with regard to the Project.

18.4 Invalid Provisions. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

18.5 Headings. The article and section headings of this Agreement are inserted for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18.6 No Waiver; Remedies. No failure on the part of the City to exercise, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

18.7 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the named parties hereto and their permitted assignees, and nothing contained in this Agreement shall confer upon anyone other than such parties any right to insist upon or enforce the performance or observance of any of the obligations contained in this Agreement.

18.8 No Joint Venture. The City is not a partner, agent or joint venture of or with Developer.

18.9 Recording of a Memorandum of this Agreement Permitted. A memorandum of this Agreement may be recorded by the City on the Property in the office of the Register of Deeds for Sheboygan County, Wisconsin, and, upon request of the City, Developer shall execute and deliver to the City a memorandum of this Agreement in form reasonably acceptable to the parties for recording purposes.

18.10 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Agreement by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, quarantine restrictions, strike, lockout, supply shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God (each, a "**Force Majeure Event**"), such act shall be excused for the period of such delay, and the

time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than ninety (90) calendar days unless agreed to in writing by the parties hereto. Notwithstanding any provision herein to the contrary, the City, in its sole and absolute discretion, may allow up to a one hundred eighty (180) calendar day extension on the deadlines set forth in Sections 1.1, 3.1 and 3.2 above should reasonable delays occur as a result of environmental remediation issues, supply chain issues or material cost increases. Any such approved delay by the City will be evidenced in writing and provided to Developer, and without any written evidence approving such delay, the other provisions of this Agreement shall control and the immediately preceding sentence shall not apply. For the avoidance of any doubt, if a Force Majeure Event causes a delay in the performance of any obligation or satisfaction of any condition of this Agreement, the party delayed by such a Force Majeure Event shall not be in Default under this Agreement for failure to timely perform such affected obligation or condition within the timeframe originally provided (but must timely complete such obligation or condition within the extended timeframe provided in this Section 18.10), and this Section 18.10 shall apply to each of the obligations of each of the parties to this Agreement.

18.11 Immunity. Nothing contained in this Agreement constitutes a waiver of any immunity available to the City under applicable law.

18.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, it being understood that all parties need not sign the same counterpart. This Agreement may also be executed by remote electronic means, via DocuSign, Eversign, or similar platform. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of an original Agreement for all purposes. Signatures of the parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes. Upon request by a party, the parties hereto shall provide a wet-ink, original signed version of this Agreement to such party for its records.

18.13 Recitals. The RECITALS set forth above are true, accurate and incorporated herein by reference.

18.14 Authority. The parties represent that the execution of this Agreement has been properly authorized and that the persons signing this Agreement have been properly authorized to sign this Agreement on behalf of their respective party.

[The remainder of this page is intentionally left blank with signature pages to follow.]

EXECUTION VERSION

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

Approved:

By: _____
Name: Evan Grossen, Deputy Finance Director/Comptroller

Approved as to Form:

By: _____
Name: Charles Adams, City Attorney

This document is authorized by and in accordance with Resolution No. 116-24-25.

STATE OF WISCONSIN)
) SS
SHEBOYGAN COUNTY)

Personally came before me this 9th day of December, 2024, the above-named Ryan Sorenson, Meredith DeBruin, Evan Grossen and Charles Adams, the City Mayor, the City Clerk, the Deputy Finance Director/Comptroller and the City Attorney of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

MARIE M. FOSS NOTARY PUBLIC STATE OF WISCONSIN

_____
Notary Public, Wisconsin
My commission 1-8-2026

EXECUTION VERSION

RDA: REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN

By: Roberta Filicky-Peneski
Name:

Attest:
Name: Casey J. Bradley

STATE OF WISCONSIN)
) SS
SHEBOYGAN COUNTY)

Personally came before me this 10th day of December, 2024, the above named Roberta Filicky-Peneski, the Chair of the Redevelopment Authority of the City of Sheboygan, Wisconsin, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

MARIE M. FOSS NOTARY PUBLIC STATE OF WISCONSIN

Notary Public, Wisconsin
My commission 1-8-2026

EXECUTION VERSION

DEVELOPER: Jakum Hall Apartments, LLC

By: _____
Name: Jacob. Buswell

STATE OF WISCONSIN)
) SS
Monroe COUNTY)

Personally came before me this 13th day of Dec., 2024, the above named Jacob Buswell a member of Jakum Hall Apts. LLC to me known to be the person who executed the foregoing instrument and acknowledged the same.

LORA HEROLD
Notary Public
State of Wisconsin

Lora Herold
Notary Public, Wisconsin
My commission 02/05/2026

EXECUTION VERSION

ACKNOWLEDGED AND AGREED TO BY THE UNDERSIGNED GUARANTOR FOR PURPOSES OF THE GUARANTY PROVIDED IN ARTICLE IV OF THIS AGREEMENT AND I AGREE THAT SUCH GUARANTY IS DONE IN THE INTEREST OF MY MARRIAGE AND FAMILY.

GUARANTORS:

Jacob Buswell

MARITAL PURPOSE STATEMENT AND SPOUSAL CONSENT:

My spouse, Jacob Buswell, has agreed to personally guarantee obligations under this Agreement to the City. I consent to this act by my spouse and acknowledge that such act was done in the interests of our marriage and family, but by signing below I am not becoming personally liable as a guarantor.

Mary Elizabeth Buswell, Spouse of Jacob Buswell

EXECUTION VERSION

EXHIBIT A

PROPERTY

[SEE ATTACHED]

EXECUTION VERSION

EXHIBIT B

SPECIAL WARRANTY DEED

[SEE ATTACHED]

EXECUTION VERSION

DOCUMENT NO.

SPECIAL WARRANTY DEED

This Special Warranty Deed is made between the Redevelopment Authority of the City of Sheboygan, Wisconsin ("**Grantor**") and [_____] ("**Grantee**").

WITNESSETH:

Grantor, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, conveys to Grantee and its successors and assigns forever the following described real estate:

All of Grantor's right, title and interest in and to the real property described in Schedule A attached hereto and incorporated herein by reference, together with all hereditaments and appurtenances thereunto belonging or in any way appertaining.

THIS SPACE RESERVED FOR RECORDING DATA

NAME AND RETURN ADDRESS

Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Ave., Suite #1000
Milwaukee, WI 53202

This is not homestead property.

_____
Parcel Identification Number

EXEMPT FROM REAL ESTATE TRANSFER TAX PER WIS. STATS. § 77.25 (2).

Grantor warrants that title is good, indefeasible in fee simple and free and clear of encumbrances, arising by, through or under Grantor, except municipal and zoning ordinances (and agreements entered into under them), recorded easements, recorded building and use restrictions, covenants and the restrictions set forth in a "Tax Incremental District Development Agreement" between Grantor, Grantee and the City of Sheboygan, Wisconsin dated as of [_____], 2024, taxes and assessments levied in 202[__] which are not yet due and payable and subsequent years and those encumbrances set forth on Schedule B, attached hereto and incorporated herein by this reference.

As additional consideration for the conveyance evidenced by this Special Warranty Deed, Grantor and Grantee agree that, prior to the termination of the City of Sheboygan's Tax Incremental District No. 24, all current and future owners or users of (including any other party with an interest – whether ownership, leasehold or otherwise – in) all or any portion of the real property conveyed by this Special Warranty Deed shall not be used in such a way as to exempt such real property from property taxation. The foregoing covenant shall run with the land until the termination of the City of Sheboygan's Tax Incremental District No. 24.

Dated as of [_____], 202[_].

[The remainder of this page is intentionally left blank with a signature page to follow.]

THE REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN

By: _____
Name:
Title:

Attest: _____
Name:
Title: City Clerk

STATE OF WISCONSIN)
) SS
COUNTY OF SHEBOYGAN)

Personally came before me this ___ day of _____, 202[__], [_____] and [_____], as [_____] and [_____], respectively, of the Redevelopment Authority of the City of Sheboygan, Wisconsin, and to me known to be the person who executed the foregoing instrument and acknowledged the same in such capacity.

_____
Name: _____
Notary Public, State of Wisconsin
My Commission: _____

This document was drafted by:
Brion T. Winters, Esq.
von Briesen & Roper, s.c.
411 E. Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202

EXHIBIT B

Schedule A

Legal Description of Real Property

[LEGAL DESCRIPTION]

EXHIBIT B

Schedule B

Permitted Encumbrances

The following items are permitted encumbrances in addition to the items identified on the Special Warranty Deed. The number references are for tracking and convenience purposes only and identify the exceptions noted on Schedule B Section Two in the Title Insurance Commitment issued by [_____] Title Insurance Company as Commitment Number [_____].

EXHIBIT C

PERMITTED ENCUMBRANCES

[SEE ATTACHED]

EXHIBIT D

SITE PLAN

[SEE ATTACHED]

EXHIBIT E

MRO

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF SHEBOYGAN
CITY OF SHEBOYGAN

TAXABLE TAX INCREMENT PROJECT MUNICIPAL REVENUE OBLIGATION ("**MRO**")

Number	Date of Original Issuance	Amount
____	_____	Up to $1,160,000.00

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "**City**"), promises to pay to [_____] (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the Revenues described below, without interest.

This MRO shall be payable in installments of principal due on October 31 (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1.

This MRO has been issued to finance projects within the City's Tax Incremental District No. 24, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund" provided for under the resolution adopted on _____, 20___, by the Common Council of the City (the "**Resolution**"). This MRO is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District Development Agreement dated as of November [____], 2024 by and between the City, Developer, and the Redevelopment Authority of the City of Sheboygan, Wisconsin (the "**Development Agreement**"). All capitalized but undefined terms herein shall take on the meaning given to such terms in the Development Agreement.

This MRO does not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision. This MRO shall be payable solely from Available Tax Increment generated by the Property and appropriated by the City's Common Council to the payment of this MRO (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this MRO is payable and the general covenants and provisions pursuant to which this MRO has been issued. The Resolution and Development Agreement are incorporated herein by this reference.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the principal due on this MRO, the amount due but not paid shall be deferred. The deferred principal shall be payable on the next Payment Date until ***the earlier of***: (a) the date this MRO is paid in full, and (b) the Final Payment Date (as defined below). The City shall have no obligation to pay any amount of this MRO which remains unpaid after the Final Payment Date. The owners of this MRO shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the City's Common Council to payment of this MRO. The "**Final Payment Date**" is October 31, 20__.

At the option of the City, this MRO is subject to prepayment in whole or in part at any time.

The City makes no representation or covenant (express or implied) that the Available Tax Increment or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder are subject to appropriation, by the City's Common Council, of Tax Increments or other amounts to make payments due on this MRO. In addition, as provided in Section 6.3 of the Development Agreement, the total amount of principal to be paid shall in no event exceed ***the lesser of***:

(a) One Million One Hundred Sixty Thousand Dollars ($1,160,000.00) and

(b) The sum of all payments made by the City on this MRO during the life of the District but in no event after the Final Payment Date.

When such amount of Revenues has been appropriated and applied to payment of this MRO, the MRO shall be deemed to be paid in full and discharged, and the City shall have no further obligation with respect hereto. Further, as provided in Sections 6.1, 6.3 and 13.1 of the Development Agreement or otherwise, the City's obligations to make payments on this MRO may be suspended or terminated in the event Developer is in Default under any of the terms and conditions of the Development Agreement, provided payments may be resumed when any such Default is timely cured and any payments missed due to an uncured Default also shall be paid from Available Tax Increment upon timely cure of such Default.

THIS MRO IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS MRO IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR INTEREST OF THIS MRO. FURTHER, NO PROPERTY OR OTHER ASSET OF THE CITY, EXCEPT THE ABOVE-REFERENCED REVENUES, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY'S OBLIGATIONS HEREUNDER.

This MRO is issued by the City pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

EXHIBIT E

EXECUTION VERSION

Except as otherwise expressly provided for in the Development Agreement, this MRO may be transferred or assigned, in whole or in part, only upon prior written consent of the City which may be withheld, conditioned or delayed for any reason. Interests in this MRO may not be split, divided or apportioned, except as set forth in the Development Agreement. In order to transfer or assign the MRO, if permitted by the City, the transferee or assignee shall surrender the same to the City either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this MRO on the registration records for the MRO maintained by the City. Each permitted transferee or assignee shall take this MRO subject to the foregoing conditions and subject to all provisions stated or referenced herein.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this MRO have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Common Council of the City of Sheboygan has caused this MRO to be signed on behalf of the City by its duly qualified and acting City Administrator and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF SHEBOYGAN

By: EXHIBIT _____
Name: _____, City Mayor

(SEAL)

Attest: EXHIBIT _____
Name: _____, City Clerk

EXHIBIT E

EXECUTION VERSION

Schedule 1

Payment Schedule

Subject to the City's actual receipt and appropriation of Available Tax Increment and the terms and conditions of the Development Agreement (including, without limitation, the City's right to modify this payment schedule based upon market conditions and the actual and projected Available Tax Increment generated from the Project), the City shall make the following payments on the MRO to Developer:

Payment Date	Payment Amount
October 31, 2027	$_____
October 31, 2028	$_____
October 31, 2029	$_____
October 31, 2030	$_____
October 31, 2031	$_____
October 31, 2032	$_____
October 31, 2033	$_____
October 31, 2034	$_____
October 31, 2035	$_____
October 31, 2036	$_____
October 31, 2037	$_____
October 31, 2038	$_____
October 31, 2039	$_____
October 31, 2040	$_____
October 31, 2041	$_____
October 31, 2042	$_____
October 31, 2043	$_____
October 31, 2044	$_____
October 31, 2045	$_____
October 31, 2046	$_____
October 31, 2047	$_____
October 31, 2048	$_____
October 31, 2049	$_____
October 31, 2050	$_____
October 31, 2051	$_____
Total	Up to $1,160,000.00

EXECUTION VERSION

REGISTRATION PROVISIONS

This MRO shall be registered in registration records kept by the Clerk of the City of Sheboygan, Sheboygan County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this MRO may thereafter be transferred only upon presentation of this MRO together with a written instrument of transfer in form and substance acceptable to the City and duly executed by the registered owner or his/her/its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of [City Clerk]

EXHIBIT E

EXHIBIT F

Members of Developer

MEMBERS OF DEVELOPER (WITH OWNERSHIP PERCENTAGE):

1. Jacob Buswell (20%)
2. Matthew Buswell (20%)
3. Brian Buswell (20%)
4. Todd Page (20%)
5. Rick Beyer (20%)

FIRST AMENDMENT TO TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT ("**Amendment**") is entered into as of July 22, 2025 (the "**Amendment Effective Date**"), by and among the CITY OF SHEBOYGAN, WISCONSIN (the "**City**"), a Wisconsin municipal corporation, LUEDKE APARTMENTS, LLC f/k/a JAKUM HALL APARTMENTS, LLC, a Wisconsin limited liability company ("**Developer**") and the REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN ("**RDA**").

RECITALS:

A. The City, RDA and Developer previously entered into a Tax Incremental District Development Agreement dated as of November 2024 ("**Development Agreement**").

B. Jakum Hall Apartments, LLC has changed its name to Luedke Apartments, LLC.

C. The Property is currently owned by the City (not the RDA) and the City (not the RDA) will be the party conveying the Property to Developer per the terms of the Development Agreement.

D. The City shall assume all of the RDA's obligations under the Development Agreement and, consequently, the RDA will be released of all obligations under the Development Agreement.

E. The parties desire to amend the Development Agreement as specifically set forth herein.

F. Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Development Agreement.

NOW, THEREFORE, the City, RDA, and Developer, in consideration of the terms and conditions contained in this Amendment and for other good and valuable consideration, the receipt of which is hereby acknowledged, hereby agree as follows:

1. The RECITALS set forth above are true, accurate and incorporated herein by reference.

2. The Effective Date of the Development Agreement shall be November 6, 2024.

3. All references in the Development Agreement to "Jakum Hall Apartments, LLC" shall be replaced by "Luedke Apartments, LLC." For all intents and purposes, Luedke Apartments, LLC shall be the Developer under the Development Agreement and all exhibits thereto. For the avoidance of any doubt, provided the City is obligated to issue the MRO under the terms of the Development Agreement, the City shall issue the MRO to Luedke Apartments, LLC.

4. The City hereby assumes all rights, responsibilities and obligations of the RDA under the Development Agreement (including, without limitation, conveying the Property to Developer, pursuant to the terms of the Development Agreement), and the RDA is hereby, fully

and forever released of all rights, responsibilities and obligations under the Development Agreement.

5. All references to the "Redevelopment Authority of the City of Sheboygan, Wisconsin" or the "RDA" in the Development Agreement are hereby replaced and restated in their entirety to reference the "City of Sheboygan, Wisconsin" or the "City," respectively.

6. Neither the City nor Developer has any action, claim, right, cost, expense, damage or otherwise against the RDA with regard to the Development Agreement, and the City and Developer each hereby and forever releases and waives any and all actions, claims, rights, costs, expenses, damages or otherwise that the City or Developer now has, or in the future may have, against the RDA with regard to the Development Agreement. This release is willfully and voluntarily given and each party hereto acknowledges that such release is good and valuable consideration for the parties to enter into this Amendment.

7. Recital D of the Development Agreement is hereby amended and restated in its entirety with the following:

> "Developer, pursuant to the terms and conditions of this Agreement (and all amendments thereto), is obligated to, among other things, construct two (2), two-story buildings that consist of a total of thirty-two (32) townhome style apartments on the Property that, in the aggregate, contain sixteen (16) one-bedroom units and sixteen (16) two-bedroom units with Affordable Rental Rates (as defined below) for Sheboygan County and fifty (50) surface parking stalls (the "**Project**")."

8. Section 1.1 of the Development Agreement is hereby amended by revising the timeline for the delivery of the Required Information from June 1, 2025 to August 1, 2025.

9. Section 3.1 of the Development Agreement is hereby amended by revising the date for the Commencement Notice from June 1, 2025 to August 1, 2025.

10. Subsection 3.2(a) of the Development Agreement is hereby amended changing the Commencement Date from June 30, 2025 to August 31, 2025.

11. Article XI of the Development Agreement is hereby amended and restated in its entirety with the following: "*Intentionally omitted.*"

12. Subsection 12.1(e) of the Development Agreement is hereby amended and restated in its entirety with the following: "*Intentionally omitted.*"

13. Section 16.1 of the Development Agreement is hereby amended by removing the RDA notice information. For the avoidance of any doubt, as of the Amendment Effective Date, neither the City nor Developer shall have any obligation to provide RDA notice of anything under the Development Agreement.

14. Exhibit A of the Development Agreement is hereby amended and restated in its entirety with the Exhibit A attached to this Amendment.

15. Exhibit C of the Development Agreement is hereby amended and restated in its entirety with the Exhibit C attached to this Amendment.

16. Exhibit D of the Development Agreement is hereby amended and restated in its entirety with the Exhibit D attached to this Amendment.

17. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective, permitted successors and assigns.

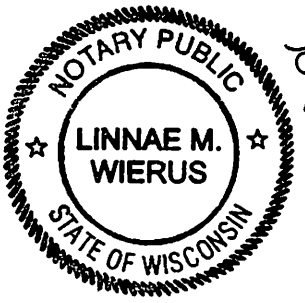
18. Except as expressly amended herein, the Development Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of the Development Agreement and this Amendment, this Amendment shall control.

19. The counterparts provisions in Section 18.12 of the Development Amendment are incorporated herein by reference and shall apply to the execution and delivery of this Amendment.

[The remainder of this page is intentionally left blank with a signature page to follow.]

#42367515v7

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Amendment Effective Date.



Linnae M. Wierus
Expires 4/15/2028

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

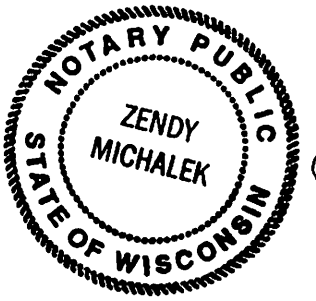
Attest: _____
Name: Meredith DeBruin, City Clerk

RDA: REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN

By: _____
Name: Taylor Zeinert, Executive Director

DEVELOPER: LUEDKE APARTMENTS, LLC f/k/a JAKUM HALL APARTMENTS, LLC

By: _____
Name: Jacob R. Buswell, Member



Zendy Michalek
Expires 11/13/26

[Signature Page (First Amendment to Tax Incremental District Development Agreement)]

EXHIBIT A

PROPERTY

Lots Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11) and Twelve (12), Block Three (3), Edwin Schaetzer's Subdivision to the City of Sheboygan, Sheboygan County, Wisconsin, according to the recorded plat thereof.

Lot Nine (9), in Block Number One (1) of Lutz Division of the City of Sheboygan, Sheboygan County, Wisconsin, according to the recorded plat thereof.

For Informational use only:
Tax Key #59281-718350 & 59281-712930
Property Address: North 15th Street, Sheboygan, WI 53083

EXHIBIT C

PERMITTED EMCUMBRANCES

The following items are permitted encumbrances in addition to the items identified on the Special Warranty Deed. The number/alphabetical references are for tracking and convenience purposes only and identify the exceptions noted on Schedule B Section Two in the Title Insurance Commitment issued by First American Title Insurance Company as Commitment Number 25-05034.

a. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

b. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title including discrepancies, conflict in boundary lines, shortages in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the public records.

c. Any facts, rights, interests or claims which are not shown by the public record but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

d. Easements, liens or encumbrances or claims thereof, which are not shown by the public record.

e. Any lien, or right to a lien, for services, labor or material imposed by law and not shown by the public record.

f. The lien of any special assessments, special taxes or special charges.

g. The lien of the general real estate taxes for the year 2025 and thereafter.

h. Real Estate Taxes for 2024 are tax exempt.

i. Title to that portion of the property, if any, within the bounds of any street, road, highway or alley is specifically excepted from this policy.

j. Deferred charges for sewer and/or water main connections and/or unpaid sewer and/or water user fees not shown on the tax roll.

k. Ordinance No. 78-98-99 recorded October 2, 1998, as Document No. 1519698.

l. Driveway Restoration Agreement recorded October 15, 1998, in Volume 1613, Page 210, as Document No. 1521102.

m. Reservations for easements, building setback lines and other matters shown on the recorded Plat of Edwin Schaetzer's Subd. in Volume 6 of Plats, Page 35, as Document No. 336658 Affidavit recorded May 8, 1931, in Volume 196, Page 557, as Document No. 282728,

n. Rights of tenants occupying the premises, if any.

o. Terms and conditions of any leases, whether written or oral.

EXECUTION VERSION

EXHIBIT D

SITE PLAN

[SEE ATTACHED]

EXECUTION VERSION

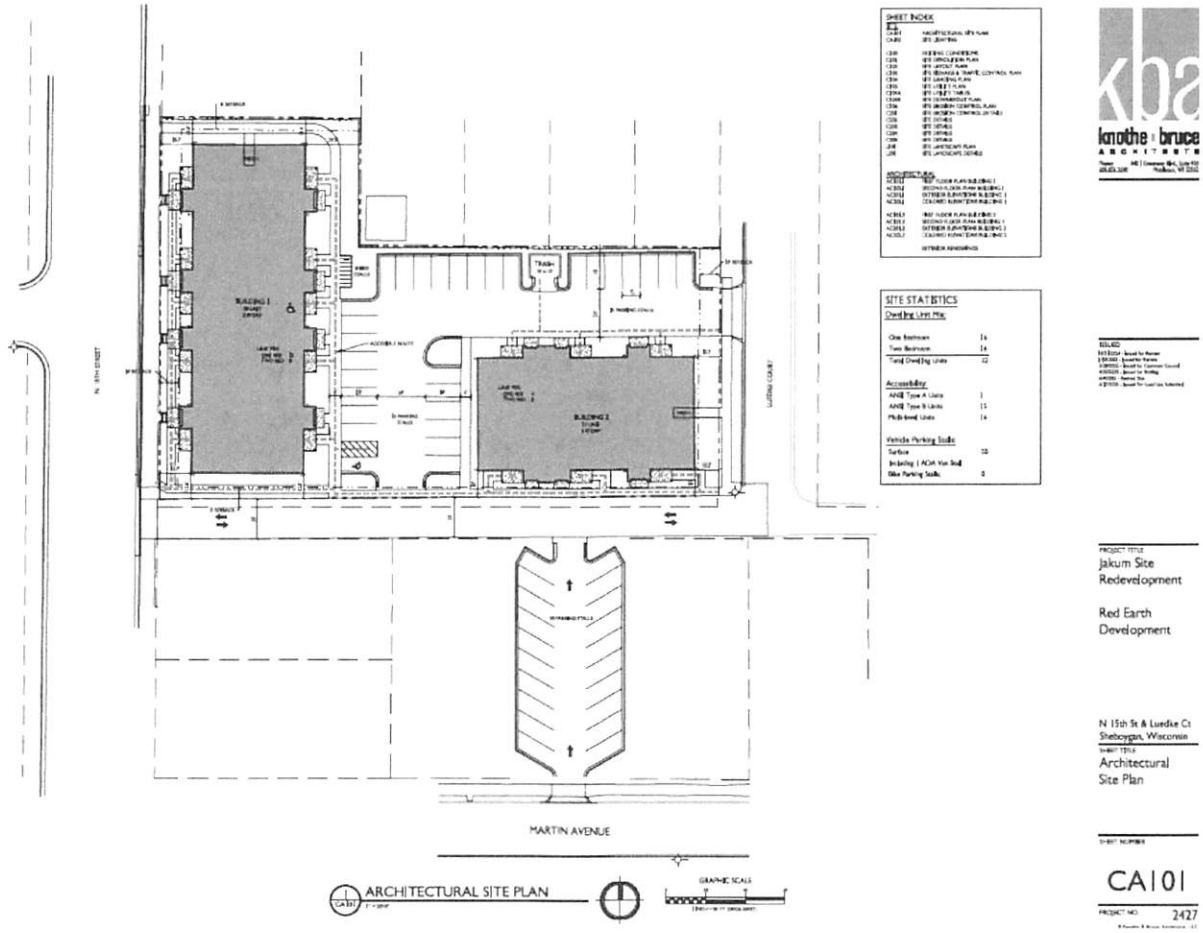


Exhibit D to First Amendment to Tax Incremental District Development Agreement

SECOND AMENDMENT TO TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO TAX INCREMENTAL DISTRICT DEVELOPMENT AGREEMENT ("**Amendment**") is entered into as of February 27, 2026 (the "**Amendment Effective Date**"), by and among the CITY OF SHEBOYGAN, WISCONSIN (the "**City**"), a Wisconsin municipal corporation, LUEDKE APARTMENTS, LLC f/k/a JAKUM HALL APARTMENTS, LLC, a Wisconsin limited liability company ("**Developer**") and the REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN ("**RDA**").

RECITALS

A. The City, RDA and Developer previously entered into a Tax Incremental District Development Agreement dated as of November 2024 as subsequently amended by a First Amendment to Tax Incremental District Development Agreement dated as of July 22, 2025 (collectively, the "**Development Agreement**").

B. The parties desire to amend the Development Agreement as specifically set forth herein.

C. Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Development Agreement.

NOW, THEREFORE, the City, RDA, and Developer, in consideration of the terms and conditions contained in this Amendment and for other good and valuable consideration, the receipt of which is hereby acknowledged, hereby agree as follows:

AMENDMENT

1. The RECITALS set forth above are true, accurate and incorporated herein by reference.

2. Section 3.1 of the Development Agreement is hereby amended by revising the date for the Commencement Notice from August 1, 2025 to March 1, 2026.

3. Section 3.2(a) of the Development Agreement is hereby amended changing the Commencement Date from August 31, 2025 to April 30, 2026.

4. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective, permitted successors and assigns.

5. Except as expressly amended herein, the Development Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of the Development Agreement and this Amendment, this Amendment shall control.

6. The counterparts provisions in Section 18.12 of the Development Amendment are incorporated herein by reference and shall apply to the execution and delivery of this Amendment.

[The remainder of this page is intentionally left blank with a signature page to follow.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Amendment Effective Date.

CITY: CITY OF SHEBOYGAN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

RDA: REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN, WISCONSIN

By: _____
Name: Taylor Zeinert, Executive Director

DEVELOPER: LUEDKE APARTMENTS, LLC f/k/a JAKUM HALL APARTMENTS, LLC

By: _____
Name: Jacob R. Buswell, Member

CITY OF SHEBOYGAN
RESOLUTION 88-26-27

BY ALDERPERSONS DEKKER AND KELLY.

AUGUST 24, 2026.

A RESOLUTION authorizing an amendment to the Foth Infrastructure and Environment, LLC agreement, dated April 12, 2024, to include services for additional design and construction administrative services for the Gartman Farm Subdivision Design.

WHEREAS, Foth Infrastructure and Environment, LLC, was contracted to perform design activities supporting the Gartman Farm Subdivision via Resolution 193-23-24; and

WHEREAS, while performing these services, Foth identified changes necessary to the design that result in additional costs; and

WHEREAS, Mashuda Contractors, Inc. was contracted to construct Phase 3 of the Gartman Farm Subdivision via Resolution 73-26-27; and

WHEREAS, the City desires to contract with Foth Infrastructure and Environment, LLC to provide construction administrative services during these activities based upon their knowledge, experience, and understanding of the site.

NOW, THEREFORE, BE IT RESOLVED: That the Mayor and City Clerk are hereby authorized to enter into the attached amendment with Foth Infrastructure and Environment, LLC for the Gartman Farm Subdivision Design, additional design, and construction administrative services.

BE IT FURTHER RESOLVED: That the Finance Director is authorized to draw funds not to exceed $797,500.00 from TID 23 Fund – Contracted Services (Account No. 423660-531100).

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer	Attest
_____	_____
Ryan Sorenson, Mayor, City of Sheboygan	Meredith DeBruin, City Clerk, City of Sheboygan

Foth

AGREEMENT FOR SERV
ADDENDUM No. 6

Project Title: Gartman Property TIF District Infrastructure

FOTH Project Number: 24S042.00

CLIENT Project Number: (If applicable)

This Addendum (in addition to and subject to the conditions contained in the Agreement for Services dated **April 12, 2024**, (hereinafter "Addendum"), is made and entered into **13th** day of **August, 2026** by and between **FOTH INFRASTRUCTURE & ENVIRONMENT, LLC,** (hereinafter "Consultant") and ***City of Sheboygan***, (hereinafter "Client"), for the services described under the Scope of Services (the "Services").

CLIENT: City of Sheboygan – Department of Public Works
Address: 2026 New Jersey Avenue Sheboygan, WI 53081-4714
Phone No: 920-459-3367 Email Address: kevin.jump@sheboyganwi.gov

Scope of Services: This Addendum covers design phase and construction phase services as outlined in Attachment A.

Schedule: Construction phase services shall be performed starting once Bid Package 3 has been awarded by the Council. It is anticipated that construction will commence in August 2026 and extend into June 2028.

Compensation: In consideration of these Services, the Client agrees to pay Consultant compensation as follows:

☐ Lump-Sum in the amount of $ .00

☒ Unit Cost/Time Charges (Standard Rates) with a total additional amount not-to-exceed $692,500.00-$797,500.00 (depending on the actual construction duration)

☐ Unit Cost/Time Charges (Standard Rates) for a total amount estimated at $.00

☐ Other as stated here:

Special Conditions (if any):

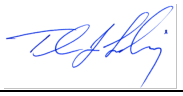
Entire Agreement: This Addendum, along with other approved Addendums, together with and subject to the Agreement for Services referenced above, constitutes the entire understanding between the parties with respect to the subject matter hereof. This Addendum may be modified by subsequent written addenda mutually agreeable by both parties.

IN WITNESS WHEREOF, this Agreement is accepted on the date last written below, subject to the terms and conditions above stated and the provisions set forth herein.

City of Sheboygan

Signed:
Name (printed):
Title:
Date:

FOTH INFRASTRUCTURE & ENVIRONMENT, LLC

Signed: 
Name (printed): Thomas J. Ludwig PE
Title: State Operations Director
Date: 8/13/2026

Signed: 
Name (printed): Carrie L. Voskuil
Title: Senior Contracts Manager
Date: 8/13/2026

Ballpark Commons Office Building
7044 South Ballpark Drive, Suite 200
Franklin, WI 53132
(414) 336-7900
foth.com

ATTACHMENT A

Gartman Design Modifications & Construction Phase Scope Items

A. Design Modifications
    1) Redesign of Stockpile Site #2

B. Construction Administration* – Bid Package 3
    1) Contract preparation
    2) Preconstruction meeting
    3) Project communications
    4) Shop drawings/submittals
    5) Schedule tracking
    6) Pay applications
    7) Change orders

C. Construction Observation* – Bid Package 3
    1) Erosion control inspection (weekly)
    2) Progress reports (weekly)
    3) Aerial mapping (monthly)

D. Record Drawings – Bid Package 3
    1) Pond C grading & outlet controls
    2) Pond D grading & outlet controls
    3) Pond F grading & outlet controls
    4) Pond G grading & outlet controls

E. Geotechnical Field Engineering – Bid Package 3
    1) Fill monitoring
    2) Compaction testing
    3) Pond liner testing

Design Modifications	$17,500
Construction Administration	$160,000-$180,000
Construction Observation	$175,000-$200,000
Record Drawings	$40,000-$50,000
Geotechnical Testing	$300,000-$350,000

*Anticipated construction schedule August 2026 – June 2028

CITY OF SHEBOYGAN
RESOLUTION 99-26-27

BY ALDERPERSON DEKKER.

SEPTEMBER 8, 2026.

A RESOLUTION adopting the updated City of Sheboygan Business Revolving Loan Fund Program Manual.

WHEREAS, the City of Sheboygan annually receives funds from the U.S. Department of Housing and Urban Development (HUD) to create a business revolving loan fund utilizing Community Development Block Grant (CDBG) dollars; and

WHEREAS, the use of federal funds comes with restrictions on spending specifically detailed in the Code of Federal Regulations (CFR); and

WHEREAS, the City has been working with technical assistance consultants through HUD to draft an updated manual to confirm practices and policy are in line with the federal restrictions that apply to the loan program; and

WHEREAS, the proposed program manual has incorporated all necessary changes and clarifications to the City's program required to remain compliant with the program moving forward.

NOW, THEREFORE, BE IT RESOLVED: That the updated City of Sheboygan Business Revolving Loan Fund Program Manual, contained here within, is adopted.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL
_____.

Presiding Officer

_____
Ryan Sorenson, Mayor, City of Sheboygan

Attest

_____
Meredith DeBruin, City Clerk, City of Sheboygan

Business Revolving Loan Fund (RLF) Program Manual

City of Sheboygan

11/19/2025
Revised draft
9/1/2026

Business Revolving Loan Fund (RLF) Program Manual

PURPOSE

The purpose of the City of Sheboygan's Business Revolving Loan Fund (RLF), is to promote employment and business opportunities in the City of Sheboygan consistent with the National Objectives [24 CFR §§570.208(a)(4), 570.209] of the United States Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG). The RLF is funded with a CDBG entitlement grant, program income and is administered in accordance with applicable federal, state, and local requirements. All loans must comply with the Housing and Community Development Act of 1974, as amended; 24 CFR Part 570; applicable HUD guidance; and other applicable laws and regulations. Compliance with these requirements is a condition of loan approval, disbursement, and continued participation in the program. Through the RLF, the City of Sheboygan will provide below-market-interest rate loans to qualified borrowers.

GUIDING LENDING PHILOSOPHY

The RLF provides flexible gap financing to leverage private investment and advance CDBG National Objectives. The City may finance projects that present greater risk than conventional lenders when underwriting demonstrates that CDBG assistance is necessary, repayment is reasonably assured, and the anticipated public benefits justify the investment. The RLF is intended to complement, not replace, private financing.

PROGRAM FUNDING

An economic development loan pool for the City of Sheboygan is established, containing funds allocated through various Community Development Block Grant Programs and income generated by repayment of loans. The pool will serve as a revolving loan fund for future activities. Loans cannot exceed 50% of total project cost.

BUSINESS DEFINITIONS

New Business

A company that has been in operation for less than 12 months or has not previously operated in the City of Sheboygan. New businesses must provide a complete business plan, 3-year financial projections, and proof of adequate capital funding. Businesses relocating from outside Sheboygan are considered new but must demonstrate net new job creation.

Existing Business

A company with 12 months or more of continuous operations supported by at least one year of financial statements. Existing businesses must provide a business plan and proof of adequate capital. Expansion projects (new facility, equipment, or workforce growth) and job retention projects qualify as existing.

ELIGIBLE AREA

Eligible activities must take place within the city limits of the City of Sheboygan. LMI (Low- and Moderate-Income) designated areas of the city will receive priority. Please contact the Planning and Development Department for details.

ELIGIBLE APPLICANTS

Eligible applicants are businesses that will locate, expand, or retain operations within the City of Sheboygan and create or retain jobs in accordance with the CDBG low-and moderate-income jobs National Objective at 24 CFR § 570.208(a)(4).

For **job creation activities**, at least 51 percent of the jobs created, computed on a full-time-equivalent basis, must be held by or made available to low- and moderate-income persons.

For **job retention activities**, the City must document that the jobs would be lost without CDBG assistance and that at least 51 percent of the retained jobs, computed on a full-time-equivalent basis, are either held by low- and moderate-income persons or are expected to turn over within two years and be filled by, or made available to, low- and moderate-income persons.

The City shall maintain documentation demonstrating compliance with applicable CDBG job creation or retention requirements, including documentation of the income status of persons holding applicable jobs or documentation that jobs were made available to low- and moderate-income persons, as required by HUD.

CDBG assistance shall not be used for activities prohibited by federal requirements concerning the relocation of employment opportunities, commonly referred to as the CDBG job-pirating prohibition.

ELIGIBLE ACTIVITIES

Eligible uses of funds include: (1) building demolition if the new building value is equal to or greater than the assessed value of the one being demolished, renovation, or addition; (2) land acquisition, site preparation, or new building construction; (3) equipment purchase and installation; and (4) working capital. Ineligible activities include maintenance of facilities and specialized equipment that are not essential to business operations. [24 CFR §570.208(a)(4), 570.209]

PUBLIC BENEFIT STANDARDS

Each CDBG-assisted economic development activity shall comply with the mandatory public-benefit standards of 24 CFR 570.209(b). Before funds are obligated, the City shall determine that:

- Each CDBG-assisted economic development activity complies with the individual public-benefit standard in 24 CFR 570.209(b). The City shall also monitor all applicable economic development activities to ensure compliance with the aggregate public-benefit standard. As a local policy, the City will limit RLF

assistance for each project to $35,000 per full-time-equivalent job created or retained, which is more restrictive than HUD's $50,000 per-job individual activity limit.

- The City's covered economic development activities, considered collectively, meet the applicable aggregate public-benefit standard.
- The written underwriting report document comply with both the applicable individual activity standard and the City's aggregate public-benefit requirements.
- The City has received sufficient records to compare the anticipated public benefit with the benefit actually achieved upon project completion.

DAVIS BACON ACT and LABOR STANDARDS

If an Applicant is awarded an Economic Development Loan through this program and construction activity is included, the Applicant shall comply and assure compliance of all Project contractors and subcontractors with the Davis Bacon Act, as amended by 40 U.S.C. Chapter 31, Subchapter IV (40 U.S.C. §§ 3141–3148), the Contract Work Hours and Safety Standards Act, 40 U.S.C. Chapter 37 (40 U.S.C. §§ 3701–3708) applicable Federal laws. The Applicant shall provide weekly payroll reports for contractors/subcontractors working on this project, and other regulations pertaining to labor standards.

Before loan approval, Planning and Development staff shall determine whether the assisted activity includes covered construction work. When applicable, the loan agreement and construction contracts shall include required labor standards provisions, wage determinations, payroll reporting, and enforcement requirements.

HUD SECTION 3

Section 3 does not apply solely because a business receives CDBG assistance. It generally applies when a project includes covered housing rehabilitation, housing construction, or other public construction and the applicable HUD assistance exceeds the Section 3 threshold. Business assistance used solely for working capital, inventory, equipment, or other non-construction purposes is generally not subject to Section 3.

For covered projects, borrowers, contractors, and subcontractors shall comply with applicable Section 3 requirements, including labor-hour tracking and reporting, Section 3 and Targeted Section 3 worker requirements, recordkeeping, and contracting requirements.

The City shall document its applicability determination in the project file and incorporate applicable Section 3 requirements into project documents. As of 2026, the general threshold is more than $300,000 in applicable HUD housing and community development assistance; the City shall apply the threshold in effect when assistance is committed.

ENVIRONMENTAL REVIEW

HUD Community Development Block Grant (CDBG) rules require a complete environmental review before commit funds are committed to a project. [24 CFR Part 58; 24 CFR §58.22]

Neither the City, the applicant, nor any project participant may commit or expend CDBG or non-CDBG funds on a choice-limiting action—including acquisition, demolition, construction, rehabilitation, or execution of a binding construction contract—before completion of the environmental review and receipt of environmental clearance, unless otherwise authorized under 24 CFR Part 58.

A conditional loan commitment may be issued only if it is expressly conditioned upon environmental clearance and does not permit a choice-limiting action.

In addition, projects involving acquisition, redevelopment, or construction may require additional environmental investigation beyond the HUD Environmental Review. These include: Phase I and Phase II Environmental Assessment conducted by a qualified third-party entity, remediation plan, and environmental related insurance such as flood.

ACQUISITION AND RELOCATION

The City shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), Section 104(d) of the Housing and Community Development Act, and 24 CFR § 570.606, as applicable.

Before approving or committing CDBG assistance, Planning and Development staff shall determine whether the proposed project involves real property acquisition, displacement, demolition, rehabilitation, or other activities that may trigger federal acquisition or relocation requirements. No acquisition, displacement, lease termination, notice to vacate, or other action that may affect occupants shall occur until the City has completed this determination and issued all required notices and approvals.

Applicants shall cooperate with the City in meeting all applicable acquisition and relocation requirements and shall not take any action that would jeopardize compliance with federal law. All acquisition and relocation determinations shall be documented in the project file.

CIVIL RIGHTS AND EQUAL OPPORTUNITY

HUD Community Development Block Grant (CDBG) civil rights and equal opportunity requirements mandate that no person be excluded from, denied benefits of, or subjected to discrimination under any funded program. Grantees must comply with federal anti-discrimination laws, affirmatively further fair housing, and ensure equal access to all project benefits, employment, and contracting opportunities. [24 CFR Part 6; 24 CFR Part 8; 24 CFR Part 107], Section 3. The RLF Program shall also be governed by the following:

- Title VI of the Civil Rights Act;
- Section 109 of the Housing and Community Development Act;
- Section 504 of the Rehabilitation Act;
- Americans with Disabilities Act;
- Age Discrimination Act;

- Executive Orders concerning equal employment and contracting;
- Limited English proficiency requirements; and
- 24 CFR Parts 6, 8, and 75.

UNIFORM ADMINISTRATIVE REQUIREMENTS

The City shall administer the RLF in accordance with applicable provisions of 2 CFR Part 200 governing financial management, internal controls, records retention, and audit requirements, as well as 24 CFR Part 570. Borrowers are generally not subject to 2 CFR Part 200 solely by virtue of receiving an RLF loan but shall comply with all applicable federal requirements identified in the loan agreement. [24 CFR § 570.502; 2 CFR §§ 200.302, 200.303, 200.334.

PROCUREMENT/COST REASONABLENESS

Borrowers receiving RLF assistance are generally not subject to the federal procurement requirements of 2 CFR Part 200 solely because they receive a CDBG loan. However, the City shall ensure that project costs are reasonable and properly documented through underwriting or other appropriate cost verification methods. In determining cost reasonableness, the City shall document cost reasonableness, avoid identity-of-interest concerns, and ensure that only eligible, necessary, and reasonable costs are financed. The following cost reasonableness methods and documentation shall be used, as applicable:

- Independent cost estimates or comparison of cost with Planning and Development staff's in-house estimates
- For best practice, Applicant should secure multiple bids whenever practicable.
- Confirmation that costs are not duplicated by other funding sources
- Review of related party contracts for identity-of-interest concerns
- Change order approval procedures

Borrowers shall comply with all other applicable federal requirements identified in the loan agreement.

CONFLICT OF INTEREST

The City shall administer the RLF in accordance with the conflict-of-interest requirements of 24 CFR § 570.611, the Redevelopment Authority Ethics Policy, and applicable state and local ethics laws.

No employee, officer, elected or appointed official, consultant, agent, or other covered person who exercises CDBG-related responsibilities or decision-making authority may obtain a financial interest or benefit from a CDBG-assisted activity, or participate in its selection, underwriting, approval, administration, or monitoring, during their tenure or for one year thereafter, unless HUD approves an exception under 24 CFR § 570.611(d).

Covered persons shall promptly disclose any actual or potential conflict of interest in writing and recuse themselves from all related decisions. The City shall document all disclosures, recusals, determinations, and any HUD-approved exceptions in the loan file.

The Redevelopment Authority Ethics Policy is incorporated herein by reference and shall govern ethical conduct to the extent it is consistent with applicable CDBG requirements.

INSURANCE COVERAGE RULES

- **Hazard Insurance:** Coverage must equal the total debt against the property or the full replacement value, whichever is less (applies throughout the loan term).
- **Building:** May be required for commercial RLF applicants to cover the outstanding loan balance for the duration of the loan.
- **Builder's Risk:** (also known as Course of Construction insurance) is required if a commercial loan project involves ground-up construction, structural expansion, or significant building renovation.
- **Term Life Insurance:** A collateral assignment of a life insurance policy on the primary business owner(s) to secure the outstanding loan balance for the duration of the term may be required.

APPRAISAL/MARKET VALUE DETERMINATION

A property appraisal from an independent 3rd party is required to establish market value of the property associated with the RLF. Appraisals older than 6 months should be updated with current market information.

APPLICATION PROCESS

Applicants seeking funding must submit a comprehensive application package using the City of Sheboygan's Neighborly online portal. The online portal can be found here: https://www.sheboyganwi.gov/426/Business-Funding-Opportunities

Applications must include:

For existing businesses:

- Current year-to-date balance sheet and income statement
- Past two years of historical financial statements
- Current financial statement, sources and uses of funds, three-year pro forma, and cash flow analysis
- Business plan
- Two or more years of business tax returns
- Credit analysis from a bank lending partner, if applicable
- Job creation/retention metrics

For new businesses:

- Three-year pro forma and cash flow analysis that includes a sources and use
- Profit and Loss Statement
- Statement of Cash Flows
- Depreciation Schedule
- Balance Sheet
- Breakeven Analysis
- Business plan that includes an Executive Summary, Business Description, Industry Analysis, Target Market Analysis, Competitive Analysis, Sales and Marketing Plan, Risk Analysis.
- Job creation metrics

Planning and Development staff will work with the Entrepreneurship Specialist/Business Consultant to assist in meeting the requirements for each loan application to support the Redevelopment Authority's funding recommendation and the Common Council's final funding decision.

All loan applications are subject to the State of Wisconsin Open Public Records Law. Records concerning the RDA's and the Common Council finances are subject to Wisconsin's Public Records Law, Wis. Stat. §§ 19.31–19.39, rather than the federal Freedom of Information Act. Confidential commercial or financial information will be handled, and any applicable withholding or redaction will be determined in accordance with Wisconsin law, including any applicable statutory exemptions and the Wisconsin public-records balancing test. This Manual should not represent that such information is categorically or permanently confidential.

Applications that are incomplete, ineligible, or unable to meet a National Objective shall not advance to financial underwriting.

UNDERWRITING AND RISK EVALUATION

The underwriting guidelines establish a consistent process for evaluating loan applications to determine whether CDBG assistance is necessary, project costs are reasonable, the proposed business has the financial capacity to complete the project and repay the loan, and the anticipated public benefits justify the amount of assistance provided. All loans shall comply with underwriting requirements of 24 CFR Part 570, including 24 CFR 570.200, 24 CFR 570.203(b), 24 CFR 570.208(a)(4), 24 CFR 570.209, and Appendix A to 24 CFR Part 570.

These guidelines supplement the City's Business Revolving Loan Program Manual and shall be applied in conjunction with all program eligibility, loan terms, and administrative requirements.

RLF UNDERWRITING POLICIES AND PROCEDURES

Purpose

All Revolving Loan Fund applications shall undergo a documented underwriting review before funding approval. The review determines whether CDBG assistance is necessary, the project is financially feasible, repayment is reasonably assured, and the anticipated public benefits justify the City's investment. RLF assistance is intended to fill a financing gap and shall not replace private financing that is reasonably available.

Underwriting Principles

Each loan shall be evaluated to ensure that:

- CDBG assistance is necessary for the project to proceed.
- Assistance is limited to the minimum amount required.
- Private financing and owner equity are maximized.
- Project costs and financing sources are reasonable and documented.
- The applicant has sufficient financial and management capacity.
- Repayment is reasonably assured.
- Public benefits justify the amount of assistance.
- Loan terms, collateral, and conditions reasonably protect the City's investment.

Roles and Responsibilities

Business Development Consultant

The business development consultant shall assist the applicant with preparing the business plan, financial projections, project budget, financing sources, and application materials. The business plan supports the application but does not replace an independent financial underwriting review.

Planning and Development staff

Planning and Development staff shall remain responsible for CDBG compliance and the City's funding determination. Staff shall review:

- CDBG activity eligibility.
- Compliance with a HUD National Objective.
- Job creation or retention requirements.
- Necessity for CDBG assistance.
- Application completeness.
- Management qualifications and business capacity.
- Anticipated public benefits.

- Applicable federal requirements, including environmental review, labor standards, Section 3, relocation, conflicts of interest, civil rights, and anti-job-pirating requirements.

Planning and Development staff shall verify that the project meets CDBG regulations at (e.g., CDBG eligibility, national objective, creating jobs for low-and-moderate income individuals). An independent underwriting consultant will be conducting a financial underwriting review of the project loan request.

City Planning and Development staff shall also score a RLF Scoring Matrix that is attached or incorporated by reference.

Financial Underwriting Consultant

The City shall retain or assign a qualified financial underwriting consultant as applicable, to independently evaluate financial feasibility and project viability.

The consultant's written analysis shall address:

- Sources and uses of funds.
- Financing gap and necessity for CDBG assistance.
- Reasonableness of project costs.
- Private financing commitments.
- Owner equity.
- Historical and projected financial performance.
- Cash flow and debt-service capacity.
- Liquidity, working capital, profitability, and net worth.
- Creditworthiness.
- Collateral and loan security.
- Market and operational viability.
- Project completion risks.
- Overall risk.
- Recommended loan amount, terms, conditions, and security.

The consultant's report shall become part of the official loan file and support the City's funding recommendation.

Underwriting Process

Phase I—Threshold Eligibility Review

Before financial underwriting begins, Planning and Development staff shall confirm that:

1. The activity is eligible under the CDBG program.
2. The project meets a HUD National Objective.
3. The project complies with the RLF Manual.
4. The application is complete.
5. Required financial, organizational, project-cost, and financing documents have been submitted.
6. Applicable federal requirements have been identified and addressed.

An application that does not meet these requirements shall not proceed.

Phase II—Financial Underwriting Review

Eligible and complete applications shall undergo an independent financial underwriting review to determine whether the project is feasible and whether the applicant can complete the project and repay the loan.

Financial Need

The applicant must demonstrate that:

- Conventional financing is unavailable or insufficient.
- A documented financing gap exists.
- The requested RLF amount is reasonable.
- CDBG funds must not replace available private financing.
- The assistance must not result in undue enrichment.

Sources and Uses

The underwriter shall verify total project costs, eligible expenses, financing commitments, owner equity, private lender participation, other public funding, and the adequacy of financing to complete the project. Total sources must equal or exceed total uses.

Owner Equity

Applicants must provide a meaningful financial contribution. General underwriting guidelines are:

- Existing businesses: approximately 10 to 20 percent of total project costs.
- New businesses: approximately 20 to 30 percent.
- Higher-risk projects: additional equity when warranted.

Equity requirements may be adjusted based on financial strength, collateral, management capacity, project characteristics, and overall risk.

Financial Capacity and Repayment

For existing businesses, the review shall consider historical and interim financial statements, tax returns, sales and profitability trends, liquidity, existing debt, and cash flow. For new businesses, the review shall place greater emphasis on the business plan, market analysis, management experience, capitalization, working capital, operating assumptions, financial projections, break-even analysis, and projected cash flow.

Financial Measure	General Standard
Debt Service Coverage Ratio	Minimum 1.20
Preferred Debt Service Coverage Ratio	1.25 or higher
Current Ratio	Minimum 1.20
Cash Ratio	Minimum 0.50
Working Capital	Positive
Cash Flow	Adequate to service all debt
Real Estate Loan-to-Value	Maximum 90 percent
Equipment Loan-to-Value	Maximum 75–80 percent
Net Worth	Positive

These benchmarks may be adjusted based on industry standards, project characteristics, compensating factors, and overall risk.

Credit and Collateral

The review may include business and personal credit history, existing debt, liens, judgments, bankruptcy history, and payment performance.

Credit weaknesses do not automatically disqualify an applicant but may require additional collateral, personal or corporate guarantees, stronger loan covenants, increased reporting, or other risk-mitigation measures.

Acceptable security may include real estate, equipment, inventory, accounts receivable, UCC filings, personal or corporate guarantees, lease assignments, or other collateral acceptable to the City.

The CDBG loan may attract private capital by subordinating the City's interest to second and third priority.

Project Feasibility and Viability

The underwriting review shall determine whether the project can reasonably be completed and operated successfully. The analysis shall consider, as applicable:

- Project budget and development schedule.
- Construction feasibility and cost estimates.

- Market demand and competition.
- Management and staffing capacity.
- Contractor qualifications.
- Required permits and approvals.
- Operating projections.
- Financial, legal, environmental, market, and operational risks.

Projects with material feasibility concerns may be required to provide additional documentation or satisfy additional conditions before funding is recommended.

Risk Assessment
Each project shall receive a documented risk rating:
Low Risk: Strong financial condition, experienced management, and strong collateral.
Moderate Risk: Acceptable financial condition with manageable risks.
Elevated Risk: Weak financial trends or collateral requiring additional protections.
High Risk: Significant repayment uncertainty; generally, not recommended.

The risk rating may affect collateral requirements, guarantees, loan conditions, reporting frequency, and monitoring requirements.

Phase III—Public Benefit and Scoring
Planning and Development staff shall review the consultant's report, determine that it adequately addresses the City's underwriting requirements, request changes as needed, and incorporate the findings into the Planning and Development staff's recommendation. The City remains responsible for the final CDBG funding determination.

Only projects that successfully complete the eligibility and financial underwriting reviews shall proceed to the RLF Scoring Matrix.
The Scoring Matrix shall evaluate:

- Employment opportunities.
- Spin-off Development Potential.
- Tax-base growth.
- Private Investment & Appropriateness of RLF Assistance.
- Benefit-to-Risk Ratio.
- Economic Impact.
- Neighborhood Impact
- Conformance with City Plans.
- Local Employment & Community Commitment.
- Management Readiness
- Project Readiness
- Overall Risk Rating Alignment

Applications will be scored based on the RLF Scoring Matrix criteria. Each category is worth up to 10 points, for a maximum score of 120 points; applicants must score at least 75 points to qualify (Please see scoring sheet attached to this document).

The Scoring Matrix shall be used to compare and prioritize financially feasible projects. A high public-benefit score shall not offset unacceptable financial weakness.

Project Review Packet

A project review packet shall be compiled before a project is presented for final funding consideration. The packet shall include:

- Project summary.
- CDBG eligibility and National Objective.
- Need for CDBG assistance.
- Written Underwriting Analysis
  - Sources and uses.
  - Financial feasibility and repayment analysis.
  - Project viability.
  - Credit and collateral review.
  - Risk rating.
- Public benefits and job commitments.
- Scoring Matrix results.
- Recommended loan amount, terms, conditions, and security.

Loan Approval and Closing

Planning and Development staff shall submit the project review packet with staff recommendation to the RDA for review. The RDA shall convene in an open session to officially make a recommendation to the full Common Council.

The Redevelopment Authority shall submit the eligibility review, Underwriting Report, Scoring Matrix, public benefits, project risks, and available funding when recommending approval, conditional approval, or denial. The Common Council must issue its final binding decision within 90 days of a complete application submission.

A denied application may be resubmitted, provided it is revised in accordance with the Planning and Development staff and RDA's recommendations and funds are still available. Decisions of the Common Council shall be final.

No loan shall close until:

- Final approval has been obtained.
- Required private financing and owner equity have been verified.
- Environmental review requirements have been satisfied.

- Insurance, appraisal, title, collateral, and security requirements have been completed.
- All approval conditions have been met.
- Required loan documents have been executed.

When the statutory requirements are satisfied, the RDA and/or Common Council may convene in closed session under Wisconsin's Open Meetings Law to review and negotiate loan terms, including pursuant to Wis. Stat. § 19.85(1)(e) where applicable. However, the fact that information is discussed in closed session does not, by itself, make the information confidential or exempt from disclosure.

Post-Closing Monitoring

Following closing, the City shall monitor:

- Loan payments.
- Financial performance.
- Job creation and retention.
- Low- and moderate-income benefit.
- Insurance and collateral.
- Compliance with loan conditions and CDBG requirements.

Noncompliance may result in corrective action, additional reporting, revised loan terms, additional collateral, repayment acceleration, or other remedies authorized by the loan documents.

PROJECT REVIEW PROCESS

Step	Primary Responsibility	Purpose
Business Planning	Business Development Consultant	Helps develop the project plan, financing request, business strategy, and loan application.
CDBG Eligibility Review	Planning and Development staff	Confirms CDBG eligibility, National Objective, necessity for assistance, management capacity, and compliance with other federal requirements.
Financial Underwriting	Qualified Consultant	Determines financial feasibility, repayment ability, financing gap, project viability, and appropriate loan terms.
Scoring Matrix	Consultant and Planning and Development staff	Evaluates public benefits and ranks financially feasible projects.
RDA Loan Package	Planning and Development staff	Reviews the underwriting, and scoring, and makes a staff loan recommendation to the Redevelopment Authority Board
Loan Recommendation	RDA	Reviews and makes loan recommendation to the Common Council based on Planning and Development staff's recommendation
Final Loan Approval	Common Council	Makes the final funding decision.

GOVERNANCE ROLES AND RESPONSIBILITIES

The City of Sheboygan's CDBG Business Revolving Loan Program is governed through a collaborative structure involving the Department of Planning and Development, the Finance Department, Redevelopment Authority, and the Common Council.

Department of Planning and Development: Provides day-to-day administration of the RLF, receives application and related documents, conducts CDBG eligibility and National Objective assessment, and completeness review for related CDBG and federal cross cutting regulations. Planning and Development staff shall also score each application using an RLF scoring matrix attached or incorporated herein by reference.

Financial Underwriter: With oversight by Planning and Development staff, an independent third-party consultant shall conduct a financial underwriting review to determines financial feasibility, repayment capacity, risk, collateral, and recommended loan terms. Planning and Development staff will review the underwriter's findings to include in its application scoring and help determine staff's recommendation.

Finance Department: Manages financial accounting, loan repayments, tracking of program income, and budget administration.

Redevelopment Authority (RDA): Authorizes substantial program amendments, project participation, and final funding approvals. Reviews each loan application and Planning and Development staff recommendation and makes recommendations to the Common Council.

Common Council: Reviews and approves final RLF loan based on City Development staff and RDA board recommendations.

LOAN AND INTEREST TERMS

All loans granted under this program shall be subject to the following terms and conditions:

1. Loans will only be made to the business directly benefiting by the proposed activity.

2. No loan shall be made to any party whose application does not indicate adequate financial capacity for loan repayment.

3. Approved loan amounts may vary according to the amount of funds available in the RLF.

4. Interest Rate – Loans will be issued at 1/2 prime plus 1% on the date the application is approved for projects creating or retaining a majority of Low-and -moderate income (LMI) jobs, or at Prime for general projects.

5. Loan Amounts – Loans cannot exceed 50% of total project cost and are limited to $35,000 per job created or retained.

6. Loan Term – Up to 20 years for real estate, 7–10 years for equipment, and 3–5 years for working capital.

7. Loans will be secured by a mortgage, security agreement, or other appropriate collateral documents. The security agreements will include LMI job requirements and standards for compliance on a yearly basis.

8. Repayment Start – Loans may include up to 12 months of interest-only payment for new businesses or expansions.

9. No loans shall be subject to any penalty for prepayment.

10. The funds of each loan shall be paid in the name of the borrower by the City and shall constitute a loan advance in the borrower's name.

11. In the event any installment payment (including, without limitation, the entire principal balance upon maturity), becomes more than fifteen (15) days past due, borrowers shall pay a late payment charge payable to the holder equal to five (5%) percent of the entire unpaid amount of the installment. Payments received after any installment becomes more than fifteen (15) days past due shall be applied first to current installment(s) and then to delinquent installments for purposes of this provision.

12. Claw-back provisions – Borrowers must meet job creation/retention commitments. Annual reporting required. Non-compliance may result in adjusted terms or repayment acceleration.

13. The Redevelopment Authority reserves the right to ask for additional information.

14. Application will not be considered until complete.

OUTREACH, MARKETING, AND CUSTOMER ATTRACTION STRATEGY

In order to meet the lending objectives of the RLF program and to ensure that the program effectively supports the City's CDBG annual expenditure timeliness ratio requirement, there must be an ongoing supply of loan applications to the RLF. An effective outreach and marketing strategy for the City of Sheboygan Business Revolving Loan Fund (RLF) requires targeted digital campaigns, active banking partnerships, community partners, and direct small business engagement. Key elements include lender partnerships, digital visibility, and proactive outreach.

STRATEGIC PROGRAM MANAGEMENT

A strategic Community Development Block Grant (CDBG) Program Management framework requires structured oversight to maintain federal compliance, maximize fund deployment, and drive community impact. This comprehensive strategy balances regulatory compliance with proactive asset management.

PROGRAM INCOME REQUIREMENTS

According to 24 CFR § 570.500, program income is gross income directly generated from the use of CDBG funds. Key sources include loan repayments, property sales, and rental income. Revolving Loan Funds are treated as program income and have certain requirements:

- The City shall maintain a dedicated, escrow account for all RLF Program Income receipts and cash balance. Funds deposited into this account shall be used exclusively for eligible RLF-related activities.

- Interest paid by borrowers on RLF loans is considered program income.
- Interest earned on the cash balance in the RLF account must be remitted to HUD for transmittal to the U.S, Treasury annually per 24 CFR 570.500(b).
- Repayments to, and interest earned on, the RLF shall be substantially disbursed before the City requests additional Treasury drawdowns for the same economic development activity, in accordance with 24 CFR § 570.504(b)(2)(i).
- All monthly principal and interest payments received shall be recorded in HUD's Integrated Disbursement and Information System (IDIS) as Program Income (PI) following the close of each month.
- RLF program income may be used for eligible economic development activities, eligible activity-delivery costs, and eligible planning and administrative costs. Administrative expenditures shall be charged and reported in accordance with applicable CDBG cost classifications and limitations.

PORTFOLIO SUSTAINABILITY

To support portfolio stability and identify potential challenges early, the RLF will conduct an internal credit review annually. These reviews will assess borrower financial performance, repayment capacity, and any emerging concerns requiring proactive intervention or technical assistance.

The RLF will limit financing participation to no more than 50% of total project costs. This requirement ensures that borrowers and private lenders maintain a meaningful financial commitment to each project and helps promote responsible investment decisions.
The City shall manage its loan portfolio to maintain reasonable diversification across industries, geographic areas, loan sizes, and borrowers to minimize concentration risk and promote long-term portfolio stability.

The City shall actively monitor loan repayments and work with borrowers to resolve payment issues before default occurs. The RLF will maintain a formal delinquency management policy with clearly defined actions for accounts that become 30, 60, and 90 days past due. The policy will emphasize timely borrower communication, problem resolution, and loan workout strategies before pursuing legal remedies. Loans that remain unresolved beyond 90 days will be evaluated for foreclosure, collection actions, or other appropriate remedies based on individual circumstances and applicable policies.

LOAN RESTRUCTURING AND WORKOUT POLICY

The City may approve reasonable loan modifications when temporary economic conditions or project delays affect repayment, provided the modifications improve the likelihood of repayment and preserve the project's public benefits. The City may modify loan terms, including repayment schedules, maturity dates, payment deferrals, interest-only periods,

or collateral requirements, when such modifications improve the likelihood of repayment and protect the City's investment. Any restructuring must be justified by updated business financial information, demonstrate a reasonable expectation of repayment, preserve the public purpose of the loan, and receive approval from the RDA and Common Council or other authorized governing body. Loan modifications shall not forgive debt or provide additional subsidy unless supported by a documented underwriting analysis demonstrating compliance with applicable CDBG requirements. Loan modifications may also be considered when a change in business ownership or transfer of property is desired.

COLLATERAL RELEASE POLICY

Collateral shall remain in place until the loan is repaid unless otherwise approved by the City. Partial releases may be approved when adequate replacement collateral is provided, the remaining collateral sufficiently protects the City's interest, and the release does not materially increase repayment risk. All collateral releases shall be documented in writing.

REPORTING REQUIREMENTS

The City shall maintain all records required by 24 CFR 570.502, 570.504, and 570.506. Program income, expenditures, accomplishments, and activity status shall be recorded in HUD's Integrated Disbursement and Information System (IDIS) in accordance with HUD reporting requirements. The City shall maintain documentation supporting financial transactions, National Objective compliance, public benefit, job creation and retention, and all other applicable CDBG requirements.

BORROWER COMPLIANCE MONITORING

The City shall utilize a contractor to conduct annual payroll audits of RLF borrower businesses to verify that jobs created or retained through RLF assistance are occupied by, or made available to, low-and -Moderate Income (LMI) individuals in accordance with applicable HUD requirements.

PORTFOLIO MONITORING SUSTAINABILITY

City staff shall review the Business RLF Loan Policy Manual at least annually and recommend revisions to lending policies, including interest rates, collateral requirements, underwriting standards, and other program guidelines, based on current local economic and lending market conditions.

City staff shall continuously monitor RLF portfolio performance to ensure financial sustainability, regulatory compliance, and alignment with HUD requirements while supporting community and economic development objectives.

FORGIVABLE LOANS

The CDBG Business Revolving Loan Fund (RLF) funds shall not be used to provide forgivable loans. All RLF assistance shall be structured and include defined repayment terms and a reasonable expectation of repayment. Loan principal shall not be forgiven, waived, or

converted to a grant except as expressly permitted by applicable HUD regulations and program requirements. Repayments shall be returned to the RLF for use in eligible activities in accordance with CDBG requirements.

CITY OF SHEBOYGAN
REPORT 25-26-27

BY LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE.

SEPTEMBER 8, 2026.

Submitting Findings of Fact and Conclusions of Law based upon testimony and exhibits presented at a Quasi-Judicial Hearing held on August 24, 2026 regarding Beverage Operator's License No. 5255 (David Pennebecker).

STATE OF WISCONSIN CITY OF SHEBOYGAN SHEBOYGAN COUNTY

IN THE MATTER OF THE LICENSE RENEWAL OF:

DAVID M. PENNEBECKER

LICENSING, HEARINGS, AND PUBLIC SAFETY COMMITTEE REPORT

On August 24, 2026, the City of Sheboygan Licensing, Hearings, and Public Safety Committee (the "Committee") held a hearing on the non-renewal of the Beverage Operator's License No. 5255 which is held by David Pennebecker.

Findings of Fact

Based upon the testimony and exhibits presented by Lieutenant Rebecca Rupnick on behalf of the City of Sheboygan and the testimony of David Pennebecker on August 24, 2026, the Committee makes the following Findings of Fact and Conclusions of Law.

1- The arrest and conviction record for the applicant show that the applicant has a history of alcohol offenses, including arrests for prohibited BAC on August 23, 2025, and an arrest for Operating While Intoxicated on September 24, 2025.

2- The applicant has a long-term history of alcohol offenses dating back to 1993.

3- The applicant did not introduce any evidence of rehabilitation that would mitigate the recent offenses.

Conclusions of Law and Recommendation

Based on the findings set forth herein, the Licensing, Hearings and Public Safety Committee recommends non-renewal of Operator's License No. 5255 which is held by David Pennebecker.

Approved by the City of Sheboygan Licensing, Hearings, and Public Safety Committee this 24th day of August, 2026

By: _____
Alderperson Susie Boorse, as Chairperson of the Licensing, Hearings, and Public Safety Committee

CITY OF SHEBOYGAN
RESOLUTION 100-26-27

BY ALDERPERSONS BOORSE AND HEIDEMANN.

SEPTEMBER 8, 2026.

A RESOLUTION directing city staff to terminate the City's agreement with Flock Group Inc., DBA Flock Safety, and to not appropriate funds in the 2027 budget for Flock Safety services.

WHEREAS, the City of Sheboygan Common Council authorized the Police Chief to execute a "Master Services Agreement" with Flock Safety on December 18, 2023, under Res. No. 115-23-24 and R.C. No. 161-23-24, to provide 15 Flock Safety Falcon automated license plate reader (ALPR) cameras; and

WHEREAS, Flock Safety's "Master Services Agreement" dictates that Flock Safety "does not own and shall not sell Customer Data" or "Anonymized Data", and that the retention period for Customer Data is 30 days; and

WHEREAS, in late July 2026 the Sheboygan Police Department was made aware of an email from Flock Safety's account executive, dated March 24, 2026, offering to sell the Sheboygan Department of Public Works anonymized data for traffic volume, vehicle types and speed data, offering up to five years of data utilizing the existing 15 cameras already deployed in the City of Sheboygan under the "Master Services Agreement"; and

WHEREAS, the Sheboygan Police Department was not aware of and did not consent to the sale of anonymized or other data outside of the terms of the "Master Services Agreement" and believes that such conduct on the part of Flock Safety constitutes a breach of the terms of the "Master Services Agreement," specifically Section 4: "DATA USE AND LICENSING"; and

WHEREAS, Provision 11.16 of the Master Services Agreement and Wis. Stat. s. 65.06 allows the City to terminate upon thirty days' written notice should a future Common Council decide not to appropriate adequate funding to support Flock safety services.

NOW, THEREFORE, BE IT RESOLVED: That the Common Council directs City staff to provide Flock Group Inc., DBA Flock Safety a written notice to terminate the Master Services Agreement effective December 31, 2026.

BE IT FURTHER RESOLVED: That the Common Council directs City staff to maintain coverings on existing Flock traffic cameras until such time as Flock Group Inc. removes the hardware and devices from the City.

BE IT FURTHER RESOLVED: That the Common Council directs the Finance Director and City Administrator to remove any appropriations for Flock safety services from the 2027 budget.

PASSED AND ADOPTED BY THE CITY OF SHEBOYGAN COMMON COUNCIL _____.

Presiding Officer	Attest
_____	_____
Ryan Sorenson, Mayor, City of Sheboygan	Meredith DeBruin, City Clerk, City of Sheboygan

Flock Safety + WI - Sheboygan PD

Flock Group Inc.
1170 Howell Mill Rd, Suite 210
Atlanta, GA 30318

MAIN CONTACT:
Kyle Whyte
kyle.whyte@flocksafety.com
6512539350

flock safety

flock safety

EXHIBIT A

ORDER FORM

Customer:	WI - Sheboygan PD	Initial Term:	24 Months
Legal Entity Name:	WI - Sheboygan PD	Renewal Term:	24 Months
Accounts Payable Email:	christopher.domagalski@sheboyganwi.gov	Payment Terms:	Net 30
Address:	1315 N 23rd St Ste 101 Sheboygan, Wisconsin 53081	Billing Frequency:	Annual Plan - First Year Invoiced at Signing.
		Retention Period:	30 Days

Hardware and Software Products

Annual recurring amounts over subscription term

Item	Cost	Quantity	Total
Flock Safety Platform			**$45,000.00**
Flock Safety Flock OS			
FlockOS ™	Included	1	Included
Flock Safety LPR Products			
Flock Safety Falcon ®	Included	15	Included

Professional Services and One Time Purchases

Item	Cost	Quantity	Total
One Time Fees			
Flock Safety Professional Services			
Professional Services - Standard Implementation Fee	$650.00	3	$1,950.00
Professional Services - Existing Infrastructure Implementation Fee	$150.00	12	$1,800.00

Subtotal Year 1:	$48,750.00
Annual Recurring Subtotal:	$45,000.00
Estimated Tax:	$0.00
Contract Total:	$93,750.00

*Taxes shown above are provided as an estimate. Actual taxes are the responsibility of the Customer. This Agreement will automatically renew for successive renewal terms of the greater of one year or the length set forth on the Order Form (each, a "**Renewal Term**") unless either Party gives the other Party notice of non-renewal at least thirty (30) days prior to the end of the then-current term.*

Billing Schedule

Billing Schedule	Amount (USD)
Year 1	
At Contract Signing	$48,750.00
Annual Recurring after Year 1	$45,000.00
Contract Total	$93,750.00

*Tax not included

Product and Services Description

Flock Safety Platform Items	Product Description	Terms
Flock Safety Falcon ®	An infrastructure-free license plate reader camera that utilizes Vehicle Fingerprint® technology to capture vehicular attributes.	The Term shall commence upon first installation and validation of Flock Hardware.

One-Time Fees	Service Description
Installation on existing infrastructure	One-time Professional Services engagement. Includes site & safety assessment, camera setup & testing, and shipping & handling in accordance with the Flock Safety Advanced Implementation Service Brief.
Professional Services - Standard Implementation Fee	One-time Professional Services engagement. Includes site and safety assessment, camera setup and testing, and shipping and handling in accordance with the Flock Safety Standard Implementation Service Brief.
Professional Services - Advanced Implementation Fee	One-time Professional Services engagement. Includes site & safety assessment, camera setup & testing, and shipping & handling in accordance with the Flock Safety Advanced Implementation Service Brief.

FlockOS Features & Description

Package: Essentials

FlockOS Features	Description
Community Cameras (Full Access)	Access to all privately owned Flock devices within your jurisdiction that have been shared with you.
Unlimited Users	Unlimited users for FlockOS
State Network (LP Lookup Only)	Allows agencies to look up license plates on all cameras opted in to the statewide Flock network.
Nationwide Network (LP Lookup Only)	Allows agencies to look up license plates on all cameras opted in to the nationwide Flock network.
Direct Share - Surrounding Jurisdiction (Full Access)	Access to all Flock devices owned by law enforcement that have been directly shared with you. Have ability to search by vehicle fingerprint, receive hot list alerts, and view devices on the map.
Time & Location Based Search	Search full, partial, and temporary plates by time at particular device locations
License Plate Lookup	Look up specific license plate location history captured on Flock devices
Vehicle Fingerprint Search	Search footage using Vehicle Fingerprint™ technology. Access vehicle type, make, color, license plate state, missing / covered plates, and other unique features like bumper stickers, decals, and roof racks.
Flock Insights/Analytics page	Reporting tool to help administrators manage their LPR program with device performance data, user and network audits, plate read reports, hot list alert reports, event logs, and outcome reports.
ESRI Based Map Interface	Flock Safety's maps are powered by ESRI, which offers the ability for 3D visualization, viewing of floor plans, and layering of external GIS data, such as City infrastructure (i.e., public facilities, transit systems, utilities), Boundary mapping (i.e., precincts, county lines, beat maps), and Interior floor plans (i.e., hospitals, corporate campuses, universities)
Real-Time NCIC Alerts on Flock ALPR Cameras	Alert sent when a vehicle entered into the NCIC crime database passes by a Flock camera
Unlimited Custom Hot Lists	Ability to add a suspect's license plate to a custom list and get alerted when it passes by a Flock camera

By executing this Order Form, Customer represents and warrants that it has read and agrees to all of the terms and conditions contained in the Master Services Agreement attached. The Parties have executed this Agreement as of the dates set forth below.

FLOCK GROUP, INC.	**Customer: WI - Sheboygan PD**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
	PO Number: _____

Master Services Agreement

This Master Services Agreement (this "***Agreement***") is entered into by and between Flock Group, Inc. with a place of business at 1170 Howell Mill Road NW Suite 210, Atlanta, GA 30318 ("***Flock***") and the entity identified in the signature block ("***Customer***") (each a "***Party***," and together, the "***Parties***") on this the 08 day of November 2023. This Agreement is effective on the date of mutual execution ("***Effective Date***"). Parties will sign an Order Form ("***Order Form***") which will describe the Flock Services to be performed and the period for performance, attached hereto as **Exhibit A**. The Parties agree as follows:

RECITALS

WHEREAS, Flock offers a software and hardware situational awareness solution through Flock's technology platform that upon detection is capable of capturing audio, video, image, and recording data and provide notifications to Customer ("***Notifications***");

WHEREAS, Customer desires access to the Flock Services (defined below) on existing devices, provided by Customer, or Flock provided Flock Hardware (as defined below) in order to create, view, search and archive Footage and receive Notifications, via the Flock Services;

WHEREAS, Customer shall have access to the Footage in Flock Services. Pursuant to Flock's standard Retention Period (defined below) Flock deletes all Footage on a rolling thirty (30) day basis, except as otherwise stated on the ***Order Form***. Customer shall be responsible for extracting, downloading and archiving Footage from the Flock Services on its own storage devices; and

WHEREAS, Flock desires to provide Customer the Flock Services and any access thereto, subject to the terms and conditions of this Agreement, solely for the awareness, prevention, and prosecution of crime, bona fide investigations and evidence gathering for law enforcement purposes, ("***Permitted Purpose***").

NOW, THEREFORE, Flock and Customer agree that this Agreement, and any Order Form, purchase orders, statements of work, product addenda, or the like, attached hereto as exhibits and incorporated by reference, constitute the complete and exclusive statement of the Agreement of the Parties with respect to the subject matter of this Agreement, and replace and supersede all prior agreements, term sheets, purchase orders, correspondence, oral or written communications and negotiations by and between the Parties.

1. DEFINITIONS

Certain capitalized terms, not otherwise defined herein, have the meanings set forth or cross-referenced in this Section 1.

1.1 "***Anonymized Data***" means Customer Data permanently stripped of identifying details and any potential personally identifiable information, by commercially available standards which irreversibly alters data in such a way that a data subject (i.e., individual person or entity) can no longer be identified directly or indirectly.

1.2 "***Authorized End User(s)***" means any individual employees, agents, or contractors of Customer accessing or using the Services, under the rights granted to Customer pursuant to this Agreement.

1.3 "***Customer Data***" means the data, media and content provided by Customer through the Services. For the avoidance of doubt, the Customer Data will include the Footage.

1.4. "***Customer Hardware***" means the third-party camera owned or provided by Customer and any other physical elements that interact with the Embedded Software and the Web Interface to provide the Services.

1.5 "***Embedded Software***" means the Flock proprietary software and/or firmware integrated with or installed on the Flock Hardware or Customer Hardware.

1.6 "***Flock Hardware***" means the Flock device(s), which may include the pole, clamps, solar panel, installation components, and any other physical elements that interact with the Embedded Software and the Web Interface, to provide the Flock Services as specifically set forth in the applicable product addenda.

1.7 "***Flock IP***" means the Services, the Embedded Software, and any intellectual property or proprietary information therein or otherwise provided to Customer and/or its Authorized End Users. Flock IP does not include Footage (as defined below).

1.8 "***Flock Network End User(s)***" means any user of the Flock Services that Customer authorizes access to or receives data from, pursuant to the licenses granted herein.

1.9 "***Flock Services***" means the provision of Flock's software and hardware situational awareness solution, via the Web Interface, for automatic license plate detection, alerts, audio detection, searching image records, video and sharing Footage.

1.10 "***Footage***" means still images, video, audio and other data captured by the Flock Hardware or Customer Hardware in the course of and provided via the Flock Services.

1.11 *"**Hotlist(s)***" means a digital file containing alphanumeric license plate related information pertaining to vehicles of interest, which may include stolen vehicles, stolen vehicle license plates, vehicles owned or associated with wanted or missing person(s), vehicles suspected of being involved with criminal or terrorist activities, and other legitimate law enforcement purposes. Hotlist also includes, but is not limited to, national data (i.e., NCIC) for similar categories, license plates associated with AMBER Alerts or Missing Persons/Vulnerable Adult Alerts, and includes manually entered license plate information associated with crimes that have occurred in any local jurisdiction.

1.12 "***Installation Services***" means the services provided by Flock for installation of Flock Services.

1.13 "***Retention Period***" means the time period that the Customer Data is stored within the cloud storage, as specified in the product addenda.

1.14 "***Vehicle Fingerprint*™**" means the unique vehicular attributes captured through Services such as: type, make, color, state registration, missing/covered plates, bumper stickers, decals, roof racks, and bike racks.

1.15 "***Web Interface***" means the website(s) or application(s) through which Customer and its Authorized End Users can access the Services.

2. SERVICES AND SUPPORT

2.1 **Provision of Access.** Flock hereby grants to Customer a non-exclusive, non-transferable right to access the features and functions of the Flock Services via the Web Interface during the Term, solely for the Authorized End Users. The Footage will be available for Authorized End Users to access and download via the Web Interface for the data retention time defined on the Order Form ("***Retention Period***"). Authorized End Users will be required to sign up for an account and select a password and username ("***User ID***"). Customer shall be responsible for all acts and omissions of Authorized End Users, and any act or omission by an Authorized End User which, including any acts or omissions of authorized End user which would constitute a breach of this agreement if undertaken by customer. Customer shall undertake reasonable efforts to make all Authorized End Users aware of all applicable provisions of this Agreement and shall cause Authorized End Users to comply with such provisions. Flock may use the services of one or more third parties to deliver any part of the Flock Services, (such as using a third party to host the Web Interface for cloud storage or a cell phone provider for wireless cellular coverage).

2.2 **Embedded Software License.** Flock grants Customer a limited, non-exclusive, non-transferable, non-sublicensable (except to the Authorized End Users), revocable right to use the Embedded Software as it pertains to Flock Services, solely as necessary for Customer to use the Flock Services.

2.3 **Support Services.** Flock shall monitor the Flock Services, and any applicable device health, in order to improve performance and functionality. Flock will use commercially reasonable efforts to respond to requests for support within seventy-two (72) hours. Flock will provide Customer with reasonable technical and on-site support and maintenance services in-person, via phone or by email at support@flocksafety.com (such services collectively referred to as ***"Support Services"***).

2.4 **Upgrades to Platform.** Flock may make any upgrades to system or platform that it deems necessary or useful to (i) maintain or enhance the quality or delivery of Flock's products or services to its agencies, the competitive strength of, or market for, Flock's products or services, such platform or system's cost efficiency or performance, or (ii) to comply with applicable law. Parties understand that such upgrades are necessary from time to time and will not diminish the quality of the services or materially change any terms or conditions within this Agreement.

2.5 **Service Interruption.** Services may be interrupted in the event that: (a) Flock's provision of the Services to Customer or any Authorized End User is prohibited by applicable law; (b) any third-party services required for Services are interrupted; (c) if Flock reasonably believe Services are being used for malicious, unlawful, or otherwise unauthorized use; (d) there is a threat or attack on any of the Flock IP by a third party; or (e) scheduled or emergency maintenance ("***Service Interruption***"). Flock will make commercially reasonable efforts to provide written notice of any Service Interruption to Customer, to provide updates, and to resume providing access to Flock Services as soon as reasonably possible after the event giving rise to the Service Interruption is cured. Flock will have no liability for any damage, liabilities, losses (including any loss of data or profits), or any other consequences that Customer or any Authorized End User may incur as a result of a Service Interruption. To the extent that the Service Interruption is not caused by Customer's direct actions or by the actions of parties associated with the Customer, the time will be tolled by the duration of the Service Interruption (for any continuous suspension lasting at least one full day). For example, in the event of a Service Interruption lasting five (5) continuous days, Customer will receive a credit for five (5) free days at the end of the Term.

2.6 **Service Suspension.** Flock may temporarily suspend Customer's and any Authorized End User's access to any portion or all of the Flock IP or Flock Service if (a) there is a threat or attack on any of the Flock IP by Customer; (b) Customer's or any Authorized End User's use of the Flock IP disrupts or poses a security risk to the Flock IP or any other customer or vendor of Flock; (c) Customer or any Authorized End User is/are using the Flock IP for fraudulent or illegal activities; (d) Customer has violated any term of this provision, including, but not limited to, utilizing Flock Services for anything other than the Permitted Purpose; or (e) any unauthorized access to Flock Services through Customer's account ("***Service Suspension***"). Customer shall not be entitled to any remedy for the Service Suspension period, including any reimbursement, tolling, or credit. If the Service Suspension was not caused by Customer, the Term will be tolled by the duration of the Service Suspension.

2.7 **Hazardous Conditions.** Flock Services do not contemplate hazardous materials, or other hazardous conditions, including, without limit, asbestos, lead, toxic or flammable substances. In the event any such hazardous materials are discovered in the designated locations in which Flock is to perform services under this Agreement, Flock shall have the right to cease work immediately.

3. CUSTOMER OBLIGATIONS

3.1 **Customer Obligations.** Flock will assist Customer Authorized End Users in the creation of a User ID. Authorized End Users agree to provide Flock with accurate, complete, and updated registration information. Authorized End Users may not select as their User ID, a name that they do not have the right to use, or any other name with the intent of impersonation. Customer and Authorized End Users may not transfer their account to anyone else without prior written permission of Flock. Authorized End Users shall not share their account username or password information and must protect the security of the username and password. Unless otherwise stated and defined in this Agreement, Customer shall not designate Authorized End Users for persons who are not officers, employees, or agents of Customer. Authorized End Users shall only use Customer-issued email addresses for the creation of their User ID. Customer is responsible for any Authorized End User activity associated with its account. Customer shall ensure that Customer provides Flock with up to date contact information at all times during the Term of this agreement. Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Flock Services. Customer shall (at its own expense) provide Flock with reasonable access and use of Customer facilities and Customer personnel in order to enable Flock to perform Services (such obligations of Customer are collectively defined as ***"Customer Obligations"***).

3.2 **Customer Representations and Warranties.** Customer represents, covenants, and warrants that Customer shall use Flock Services only in compliance with this Agreement and all applicable laws and regulations, including but not limited to any laws relating to the recording or sharing of data, video, photo, or audio content.

4. DATA USE AND LICENSING

4.1 **Customer Data.** As between Flock and Customer, all right, title and interest in the Customer Data, belong to and are retained solely by Customer. Customer hereby grants to Flock a limited, non-exclusive, royalty-free, irrevocable, worldwide license to use the Customer Data and perform all acts as may be necessary for Flock to provide the Flock Services to Customer. Flock does not own and shall not sell Customer Data.

4.2 **Customer Generated Data.** Flock may provide Customer with the opportunity to post, upload, display, publish, distribute, transmit, broadcast, or otherwise make available, messages,

text, illustrations, files, images, graphics, photos, comments, sounds, music, videos, information, content, ratings, reviews, data, questions, suggestions, or other information or materials produced by Customer (**"*Customer Generated Data"***). Customer shall retain whatever legally cognizable right, title, and interest in Customer Generated Data. Customer understands and acknowledges that Flock has no obligation to monitor or enforce Customer's intellectual property rights of Customer Generated Data. Customer grants Flock a non-exclusive, irrevocable, worldwide, royalty-free, license to use the Customer Generated Data for the purpose of providing Flock Services. Flock does not own and shall not sell Customer Generated Data.

4.3 **Anonymized Data.** Flock shall have the right to collect, analyze, and anonymize Customer Data and Customer Generated Data to the extent such anonymization renders the data non-identifiable to create Anonymized Data to use and perform the Services and related systems and technologies, including the training of machine learning algorithms. Customer hereby grants Flock a non-exclusive, worldwide, perpetual, royalty-free right to use and distribute such Anonymized Data to improve and enhance the Services and for other development, diagnostic and corrective purposes, and other Flock offerings. Parties understand that the aforementioned license is required for continuity of Services. Flock does not own and shall not sell Anonymized Data.

5. CONFIDENTIALITY; DISCLOSURES

5.1 **Confidentiality.** To the extent required by any applicable public records requests, each Party (the "***Receiving Party***") understands that the other Party (the "***Disclosing Party***") has disclosed or may disclose business, technical or financial information relating to the Disclosing Party's business (hereinafter referred to as "***Proprietary Information***" of the Disclosing Party). Proprietary Information of Flock includes non-public information regarding features, functionality and performance of the Services. Proprietary Information of Customer includes non-public data provided by Customer to Flock or collected by Flock via Flock Services, which includes but is not limited to geolocation information and environmental data collected by sensors. The Receiving Party agrees: (i) to take the same security precautions to protect against disclosure or unauthorized use of such Proprietary Information that the Party takes with its own proprietary information, but in no event less than commercially reasonable precautions, and (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third person any

such Proprietary Information. The Disclosing Party agrees that the foregoing shall not apply with respect to any information that the Receiving Party can document (a) is or becomes generally available to the public; or (b) was in its possession or known by it prior to receipt from the Disclosing Party; or (c) was rightfully disclosed to it without restriction by a third party; or (d) was independently developed without use of any Proprietary Information of the Disclosing Party. Nothing in this Agreement will prevent the Receiving Party from disclosing the Proprietary Information pursuant to any judicial or governmental order, provided that the Receiving Party gives the Disclosing Party reasonable prior notice of such disclosure to contest such order. At the termination of this Agreement, all Proprietary Information will be returned to the Disclosing Party, destroyed or erased (if recorded on an erasable storage medium), together with any copies thereof, when no longer needed for the purposes above, or upon request from the Disclosing Party, and in any case upon termination of the Agreement. Notwithstanding any termination, all confidentiality obligations of Proprietary Information that is trade secret shall continue in perpetuity or until such information is no longer trade secret.

5.2 **Usage Restrictions on Flock IP.** Flock and its licensors retain all right, title and interest in and to the Flock IP and its components, and Customer acknowledges that it neither owns nor acquires any additional rights in and to the foregoing not expressly granted by this Agreement. Customer further acknowledges that Flock retains the right to use the foregoing for any purpose in Flock's sole discretion. Customer and Authorized End Users shall not: (i) copy or duplicate any of the Flock IP; (ii) decompile, disassemble, reverse engineer, or otherwise attempt to obtain or perceive the source code from which any software component of any of the Flock IP is compiled or interpreted, or apply any other process or procedure to derive the source code of any software included in the Flock IP; (iii) attempt to modify, alter, tamper with or repair any of the Flock IP, or attempt to create any derivative product from any of the foregoing; (iv) interfere or attempt to interfere in any manner with the functionality or proper working of any of the Flock IP; (v) remove, obscure, or alter any notice of any intellectual property or proprietary right appearing on or contained within the Flock Services or Flock IP; (vi) use the Flock Services for anything other than the Permitted Purpose; or (vii) assign, sublicense, sell, resell, lease, rent, or otherwise transfer, convey, pledge as security, or otherwise encumber, Customer's rights. There are no implied rights.

5.3 **Disclosure of Footage.** Subject to and during the Retention Period, Flock may access, use, preserve and/or disclose the Footage to law enforcement authorities, government officials, and/or third parties, if legally required to do so or if Flock has a good faith belief that such access, use, preservation or disclosure is reasonably necessary to comply with a legal process, enforce this Agreement, or detect, prevent or otherwise address security, privacy, fraud or technical issues, or emergency situations.

6. PAYMENT OF FEES

6.1 **Billing and Payment of Fees**. Customer shall pay the fees set forth in the applicable Order Form based on the billing structure and payment terms as indicated in the Order Form. If Customer believes that Flock has billed Customer incorrectly, Customer must contact Flock no later than thirty (30) days after the closing date on the first invoice in which the error or problem appeared to receive an adjustment or credit. Customer acknowledges and agrees that a failure to contact Flock within this period will serve as a waiver of any claim. If any undisputed fee is more than thirty (30) days overdue, Flock may, without limiting its other rights and remedies, suspend delivery of its service until such undisputed invoice is paid in full. Flock shall provide at least thirty (30) days' prior written notice to Customer of the payment delinquency before exercising any suspension right.

6.2 **Notice of Changes to Fees.** Flock reserves the right to change the fees for subsequent Renewal Terms by providing sixty (60) days' notice (which may be sent by email) prior to the end of the Initial Term or Renewal Term (as applicable).

6.3 **Late Fees.** If payment is not issued to Flock by the due date of the invoice, an interest penalty of 1.0% of any unpaid amount may be added for each month or fraction thereafter, until final payment is made.

6.4 **Taxes.** Customer is responsible for all taxes, levies, or duties, excluding only taxes based on Flock's net income, imposed by taxing authorities associated with the order. If Flock has the legal obligation to pay or collect taxes, including amount subsequently assessed by a taxing authority, for which Customer is responsible, the appropriate amount shall be invoice to and paid by Customer unless Customer provides Flock a legally sufficient tax exemption certificate and Flock shall not charge customer any taxes from which it is exempt. If any deduction or

withholding is required by law, Customer shall notify Flock and shall pay Flock any additional amounts necessary to ensure that the net amount that Flock receives, after any deduction and withholding, equals the amount Flock would have received if no deduction or withholding had been required.

7. TERM AND TERMINATION

7.1 **Term.** The initial term of this Agreement shall be for the period of time set forth on the Order Form (the "***Term***"). Following the Term, unless otherwise indicated on the Order Form, this Agreement will automatically renew for successive renewal terms of the greater of one year or the length set forth on the Order Form (each, a "***Renewal Term***") unless either Party gives the other Party notice of non-renewal at least thirty (30) days prior to the end of the then-current term.
7.2 **Termination.** Upon termination or expiration of this Agreement, Flock will remove any applicable Flock Hardware at a commercially reasonable time period. In the event of any material breach of this Agreement, the non-breaching Party may terminate this Agreement prior to the end of the Term by giving thirty (30) days prior written notice to the breaching Party; provided, however, that this Agreement will not terminate if the breaching Party has cured the breach prior to the expiration of such thirty (30) day period ("***Cure Period***"). Either Party may terminate this Agreement (i) upon the institution by or against the other Party of insolvency, receivership or bankruptcy proceedings, (ii) upon the other Party's making an assignment for the benefit of creditors, or (iii) upon the other Party's dissolution or ceasing to do business. In the event of a material breach by Flock, and Flock is unable to cure within the ***Cure Period***, Flock will refund Customer a pro-rata portion of the pre-paid fees for Services not received due to such termination.
7.3 **Survival**. The following Sections will survive termination: 1, 3, 5, 6, 7, 8.3, 8.4, 9, 11.1 and 11.6.

8. REMEDY FOR DEFECT; WARRANTY AND DISCLAIMER

8.1 **Manufacturer Defect.** Upon a malfunction or failure of Flock Hardware or Embedded Software (a **"*Defect*"**), Customer must notify Flock's technical support team. In the event of a Defect, Flock shall make a commercially reasonable attempt to repair or replace the defective Flock Hardware at no additional cost to the Customer. Flock reserves the right, in its sole discretion, to repair or replace such Defect, provided that Flock shall conduct inspection or testing within a commercially reasonable time, but no longer than seven (7) business days after Customer gives notice to Flock.

8.2 **Replacements.** In the event that Flock Hardware is lost, stolen, or damaged, Customer may request a replacement of Flock Hardware at a fee according to the reinstall fee schedule (https://www.flocksafety.com/reinstall-fee-schedule). In the event that Customer chooses not to replace lost, damaged, or stolen Flock Hardware, Customer understands and agrees that (1) Flock Services will be materially affected, and (2) that Flock shall have no liability to Customer regarding such affected Flock Services, nor shall Customer receive a refund for the lost, damaged, or stolen Flock Hardware.

8.3 **Warranty.** Flock shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Installation Services in a professional and workmanlike manner. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Flock or by third-party providers, or because of other causes beyond Flock's reasonable control, but Flock shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption.

8.4 **Disclaimer.** THE REMEDY DESCRIBED IN SECTION 8.1 ABOVE IS CUSTOMER'S SOLE REMEDY, AND FLOCK'S SOLE LIABILITY, WITH RESPECT TO DEFECTS. FLOCK DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE SERVICES ARE PROVIDED "AS IS" AND FLOCK DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A

PARTICULAR PURPOSE AND NON-INFRINGEMENT. THIS DISCLAIMER ONLY APPLIES TO THE EXTENT ALLOWED BY THE GOVERNING LAW OF THE STATE MENTIONED IN SECTION 11.6.

8.5 **Insurance.** Flock will maintain commercial general liability policies as stated in Exhibit B.

8.6 **Force Majeure.** Parties are not responsible or liable for any delays or failures in performance from any cause beyond their control, including, but not limited to acts of God, changes to law or regulations, embargoes, war, terrorist acts, pandemics (including the spread of variants), issues of national security, acts or omissions of third-party technology providers, riots, fires, earthquakes, floods, power blackouts, strikes, supply chain shortages of equipment or supplies, financial institution crisis, weather conditions or acts of hackers, internet service providers or any other third party acts or omissions.

9. LIMITATION OF LIABILITY; INDEMNITY

9.1 **Limitation of Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY, FLOCK, ITS OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY, OR OTHER THEORY: (A) FOR LOSS OF REVENUE, BUSINESS OR BUSINESS INTERRUPTION; (B) INCOMPLETE, CORRUPT, OR INACCURATE DATA; (C) COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY; (D) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (E) FOR ANY MATTER BEYOND FLOCK'S ACTUAL KNOWLEDGE OR REASONABLE CONTROL INCLUDING REPEAT CRIMINAL ACTIVITY OR INABILITY TO CAPTURE FOOTAGE; OR (F) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID AND/OR PAYABLE BY CUSTOMER TO FLOCK FOR THE SERVICES UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRIOR TO THE ACT OR OMISSION THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT FLOCK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION OF

LIABILITY OF SECTION ONLY APPLIES TO THE EXTENT ALLOWED BY THE GOVERNING LAW OF THE STATE REFERENCED IN SECTION 10.6. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING LIMITATIONS OF LIABILITY SHALL NOT APPLY (I) IN THE EVENT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) INDEMNIFICATION OBLIGATIONS.

9.2 **Responsibility.** Each Party to this Agreement shall assume the responsibility and liability for the acts and omissions of its own employees, officers, or agents, in connection with the performance of their official duties under this Agreement. Each Party to this Agreement shall be liable for the torts of its own officers, agents, or employees.

9.3 **Flock Indemnity.** Flock shall indemnify and hold harmless Customer, its agents and employees, from liability of any kind, including claims, costs (including defense) and expenses, on account of: (i) any copyrighted material, patented or unpatented invention, articles, device or appliance manufactured or used in the performance of this Agreement; or (ii) any damage or injury to property or person directly caused by Flock's installation of Flock Hardware, except for where such damage or injury was caused solely by the negligence of the Customer or its agents, officers or employees. Flock's performance of this indemnity obligation shall not exceed the fees paid and/or payable for the services rendered under this Agreement in the preceding twelve (12) months.

10. INSTALLATION SERVICES AND OBLIGATIONS

10.1 **Ownership of Hardware**. Flock Hardware is owned and shall remain the exclusive property of Flock. Title to any Flock Hardware shall not pass to Customer upon execution of this Agreement, except as otherwise specifically set forth in this Agreement. Except as otherwise expressly stated in this Agreement, Customer is not permitted to remove, reposition, re-install, tamper with, alter, adjust or otherwise take possession or control of Flock Hardware. Customer agrees and understands that in the event Customer is found to engage in any of the foregoing restricted actions, all warranties herein shall be null and void, and this Agreement shall be subject to immediate termination for material breach by Customer. Customer shall not perform any acts which would interfere with the retention of title of the Flock Hardware by Flock. Should Customer default on any payment of the Flock Services, Flock may remove Flock Hardware at

Flock's discretion. Such removal, if made by Flock, shall not be deemed a waiver of Flock's rights to any damages Flock may sustain as a result of Customer's default and Flock shall have the right to enforce any other legal remedy or right.

10.2 **Deployment Plan**. Flock shall advise Customer on the location and positioning of the Flock Hardware for optimal product functionality, as conditions and locations allow. Flock will collaborate with Customer to design the strategic geographic mapping of the location(s) and implementation of Flock Hardware to create a deployment plan ("***Deployment Plan***"). In the event that Flock determines that Flock Hardware will not achieve optimal functionality at a designated location, Flock shall have final discretion to veto a specific location, and will provide alternative options to Customer.

10.3 **Changes to Deployment Plan.** After installation of Flock Hardware, any subsequent requested changes to the Deployment Plan, including, but not limited to, relocating, re-positioning, adjusting of the mounting, removing foliage, replacement, changes to heights of poles will incur a fee according to the reinstall fee schedule located at (https://www.flocksafety.com/reinstall-fee-schedule). Customer will receive prior notice and confirm approval of any such fees.

10.4 **Customer Installation Obligations**. Customer is responsible for any applicable supplementary cost as described in the Customer Implementation Guide, attached hereto as Exhibit C ("***Customer Obligations***"). Customer represents and warrants that it has, or shall lawfully obtain, all necessary right title and authority and hereby authorizes Flock to install the Flock Hardware at the designated locations and to make any necessary inspections or maintenance in connection with such installation.

10.5 **Flock's Obligations**. Installation of any Flock Hardware shall be installed in a professional manner within a commercially reasonable time from the Effective Date of this Agreement. Upon removal of Flock Hardware, Flock shall restore the location to its original condition, ordinary wear and tear excepted. Flock will continue to monitor the performance of Flock Hardware for the length of the Term. Flock may use a subcontractor or third party to perform certain obligations under this agreement, provided that Flock's use of such subcontractor or third party shall not release Flock from any duty or liability to fulfill Flock's obligations under this Agreement.

11. MISCELLANEOUS

11.1 **Compliance With Laws.** Parties shall comply with all applicable local, state and federal laws, regulations, policies and ordinances and their associated record retention schedules, including responding to any subpoena request(s).

11.2 **Severability.** If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect.

11.3 **Assignment.** This Agreement is not assignable, transferable or sublicensable by either Party, without prior consent. Notwithstanding the foregoing, either Party may assign this Agreement, without the other Party's consent, (i) to any parent, subsidiary, or affiliate entity, or (ii) to any purchaser of all or substantially all of such Party's assets or to any successor by way of merger, consolidation or similar transaction.

11.4 **Entire Agreement.** This Agreement, together with the Order Form(s), the reinstall fee schedule (https://www.flocksafety.com/reinstall-fee-schedule), and any attached exhibits are the complete and exclusive statement of the mutual understanding of the Parties and supersedes and cancels all previous or contemporaneous negotiations, discussions or agreements, whether written and oral , communications and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both Parties, except as otherwise provided herein. None of Customer’s purchase orders, authorizations or similar documents will alter the terms of this Agreement, and any such conflicting terms are expressly rejected. Any mutually agreed upon future purchase order is subject to these legal terms and does not alter the rights and obligations under this Agreement, except that future purchase orders may outline additional products, services, quantities and billing terms to be mutually accepted by Parties. In the event of any conflict of terms found in this Agreement or any other terms and conditions, the terms of this Agreement shall prevail. Customer agrees that Customer’s purchase is neither contingent upon the delivery of any future functionality or features nor dependent upon any oral or written comments made by Flock with respect to future functionality or feature.

11.5 **Relationship.** No agency, partnership, joint venture, or employment is created as a result of this Agreement and Parties do not have any authority of any kind to bind each other in any respect whatsoever. Flock shall at all times be and act as an independent contractor to Customer.

11.6 **Governing Law; Venue.** This Agreement shall be governed by the laws of the state in which the Customer is located. The Parties hereto agree that venue would be proper in the chosen courts of the State of which the Customer is located. The Parties agree that the United Nations Convention for the International Sale of Goods is excluded in its entirety from this Agreement.

11.7 **Special Terms.** Flock may offer certain special terms which are indicated in the proposal and will become part of this Agreement, upon Customer's prior written consent and the mutual execution by authorized representatives ("***Special Terms***"). To the extent that any terms of this Agreement are inconsistent or conflict with the Special Terms, the Special Terms shall control.

11.8 **Publicity.** Flock has the right to reference and use Customer's name and trademarks and disclose the nature of the Services in business and development and marketing efforts.

11.9 **Feedback.** If Customer or Authorized End User provides any suggestions, ideas, enhancement requests, feedback, recommendations or other information relating to the subject matter hereunder, Agency or Authorized End User hereby assigns to Flock all right, title and interest (including intellectual property rights) with respect to or resulting from any of the foregoing.

11.10 **Export.** Customer may not remove or export from the United States or allow the export or re-export of the Flock IP or anything related thereto, or any direct product thereof in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign Customer or authority. As defined in Federal Acquisition Regulation ("FAR"), section 2.101, the Services, the Flock Hardware and Documentation are "commercial items" and according to the Department of Defense Federal Acquisition Regulation ("DFAR") section 252.2277014(a)(1) and are deemed to be "commercial computer software" and "commercial computer software documentation." Flock is compliant with FAR Section 889 and does not contract or do business with, use any equipment, system, or service that uses the enumerated banned Chinese telecommunication companies, equipment or services as a substantial or essential component of any system, or as critical technology as part of any Flock system. Consistent with DFAR section 227.7202 and FAR section 12.212, any use, modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

11.11 **Headings.** The headings are merely for organization and should not be construed as adding meaning to the Agreement or interpreting the associated sections.

11.12 **Authority.** Each of the below signers of this Agreement represent that they understand this Agreement and have the authority to sign on behalf of and bind the Parties they are representing.

11.13 **Conflict.** In the event there is a conflict between this Agreement and any applicable statement of work, or Customer purchase order, this Agreement controls unless explicitly stated otherwise.

11.14 **Morality.** In the event Customer or its agents become the subject of an indictment, contempt, scandal, crime of moral turpitude or similar event that would negatively impact or tarnish Flock's reputation, Flock shall have the option to terminate this Agreement upon prior written notice to Customer.

11.15 **Notices.** All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by email; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt to the address listed on the Order Form (or, if different, below), if sent by certified or registered mail, return receipt requested.

11.16 **Non-Appropriation.** Notwithstanding any other provision of this Agreement, all obligations of the Customer under this Agreement which require the expenditure of funds are conditioned on the availability of funds appropriated for that purpose. Customer shall have the right to terminate this Agreement for non appropriation with thirty (30) days written notice without penalty or other cost.

FLOCK NOTICES ADDRESS:

1170 HOWELL MILL ROAD, NW SUITE 210

ATLANTA, GA 30318

ATTN: LEGAL DEPARTMENT

EMAIL: legal@flocksafety.com

Customer NOTICES ADDRESS:

ADDRESS: _____

ATTN: _____

EMAIL: _____

EXHIBIT B

INSURANCE

Required Coverage. Flock shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the services under this Agreement and the results of that work by Flock or its agents, representatives, employees or subcontractors. Insurance shall be placed with insurers with a current A. M. Best rating of no less than “A” and “VII”. Flock shall obtain and, during the term of this Agreement, shall maintain policies of professional liability (errors and omissions), automobile liability, and general liability insurance for insurable amounts of not less than the limits listed herein. The insurance policies shall provide that the policies shall remain in full force during the life of the Agreement. Flock shall procure and shall maintain during the life of this Agreement Worker's Compensation insurance as required by applicable State law for all Flock employees.

Types and Amounts Required. Flock shall maintain, at minimum, the following insurance coverage for the duration of this Agreement:

(i) **Commercial General Liability** insurance written on an occurrence basis with minimum limits of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate for bodily injury, death, and property damage, including personal injury, contractual liability, independent contractors, broad-form property damage, and product and completed operations coverage;

(ii) **Umbrella or Excess Liability** insurance written on an occurrence basis with minimum limits of Ten Million Dollars ($10,000,000) per occurrence and Ten Million Dollars ($10,000,000) in the aggregate;

(iii) **Professional Liability/Errors and Omissions** insurance with minimum limits of Five Million Dollars ($5,000,000) per occurrence and Five Million Dollars ($5,000,000) in the aggregate;

(iv) **Commercial Automobile Liability** insurance with a minimum combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, death, and property coverage, including owned and non-owned and hired automobile coverage; and

(v) **Cyber Liability** insurance written on an occurrence basis with minimum limits of Five Million Dollars ($5,000,000).

City of Sheboygan

828 Center Ave
Sheboygan, WI 53081
(920) 459-3311 Fax (920) 459-3967

Purchase Order

Fiscal Year 2023

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES, AND SHIPPING PAPERS.

Purchase Order Number	**00330387**
Purchase Order Date	**12/21/2023**
Department	**POLICE DEPARTMENT**
Required By	**12/21/2023**

Bill To 2110
POLICE DEPARTMENT
CITY OF SHEBOYGAN
1315 N. 23RD STREET #101
SHEBOYGAN, WI 53081-3180

Ship To 2110
POLICE DEPARTMENT
CITY OF SHEBOYGAN
1315 N. 23RD STREET #101
SHEBOYGAN, WI 53081-3180

Vendor 7493
FLOCK GROUP INC
DBA: FLOCK SAFETY
1170 HOWELL MILL RD NW
SUITE 210
ATLANTA, GA 30318

VENDOR PHONE NUMBER	VENDOR EMAIL	VENDOR NUMBER	REQUISITION NUMBER	BUYER NAME	DELIVERY REFERENCE
		7493	230460	BERNARD RAMMER	CASSANDRA.WOHLGEMUTH@SHE…

NOTES

ITEM #	DESCRIPTION	QUANTITY	UOM	UNIT PRICE	EXTENDED PRICE
1	YEAR ONE STANDARD IMPLEMENTATION FEE	3.0000	EACH	$650.0000	$1,950.00
2	YEAR ONE EXISTING INFRASTRUCTURE IMPLEMENTATION FEE	12.0000	EACH	$150.0000	$1,800.00
3	YEAR ONE SERVICE INCLUDING FLOCK OS X 1 AND FLOCK SAFETY FALCON X 15	1.0000	EACH	$45,000.0000	$45,000.00
4	YEAR TWO SERVICE INCLUDING FLOCK OS X 1 AND FLOCK SAFETY FALCON X 15	1.0000	EACH	$45,000.0000	$45,000.00

GL SUMMARY

220210 - 560255	$93,750.00

The City of Sheboygan "Standard Terms and Conditions for Purchase Orders" are made a part of, and incorporated into, this Purchase Order by this reference. They can be viewed at www.sheboyganwi.gov/terms. Any performance by Vendor pursuant to this Purchase Order constitutes Vendor's acknowledgement that Vendor has read and agreed to the referenced Standard Terms and Conditions.

Approver Name: EVAN GROSSEN

Approval Date: 12/21/2023

Purchasing Agent - Bernard Rammer

Total Ext. Price	$93,750.00
Purchase Order Total	**$93,750.00**

Purchasing Copy

Zempel, Kurt

From: Jump, Kevin
Sent: Thursday, August 6, 2026 10:47 AM
To: Zempel, Kurt
Subject: Fw: Using Flock for Traffic Analytics

FYI....

Kevin Jump, PE (WI)
City Engineer
City of Sheboygan

From: Kolste, Joel <Joel.Kolste@sheboyganwi.gov>
Sent: Tuesday, March 24, 2026 1:17 PM
To: Jump, Kevin <Kevin.Jump@sheboyganwi.gov>
Subject: FW: Using Flock for Traffic Analytics

Any interest?

Joel Kolste
Deputy Director of Field Operations
City of Sheboygan | Department of Public Works
2026 New Jersey Avenue | Sheboygan, WI 53081
Office: 920-459-3447
www.sheboygandpw.com | joel.kolste@sheboyganwi.gov

CITY OF SHEBOYGAN
PUBLIC WORKS

From: Wilhelm, Mark <Mark.Wilhelm@sheboyganwi.gov>
Sent: Tuesday, March 24, 2026 1:16 PM
To: Kolste, Joel <Joel.Kolste@sheboyganwi.gov>
Subject: Fw: Using Flock for Traffic Analytics

Your Thoughts

Mark Wilhelm
Supervisor - Streets and Sanitation
City of Sheboygan | Department of Public Works
2026 New Jersey Avenue | Sheboygan, WI 53081
Office: 920-459-3456
www.sheboygandpw.com | mark.wilhelm@sheboyganwi.gov

CITY OF SHEBOYGAN
PUBLIC WORKS

From: Mike Heyne <mike.heyne@flocksafety.com>
Sent: Tuesday, March 24, 2026 11:18 AM
To: Wilhelm, Mark <Mark.Wilhelm@sheboyganwi.gov>
Subject: Using Flock for Traffic Analytics

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Mark,

Mike Heyne here with Flock - I work closely with Chief Zempel of the Police Department.

I see you're the Traffic Manager and believe we may be able to help Public Works.

Most public works teams I talk to in Wisconsin still rely on state-provided traffic counts — a snapshot every year or two at a handful of intersections. When a resident calls in a speeding complaint or a contractor requests a traffic study for a new development, there's no quick answer. You either deploy a tube counter and wait, or call in a consultant.

I wanted to reach out because there's a good chance your department is sitting on a tool that solves for this already.

Sheboygan PD has 15 Flock LPR cameras already deployed.

We can turn those cameras into a continuous traffic monitoring network — no new hardware, no new infrastructure. Public Works gets its own login to a live dashboard showing traffic volume, vehicle types, speed data, and long-term trends. Five years of data, updated every 30 minutes.

Cities use it to respond to speeding complaints with real data the same day, justify signal retiming, enforce truck routes, and build the case for infrastructure investment — without waiting on a consultant.

Worth a 20-minute conversation to see if it's applicable?

-Mike



Mike Heyne

Account Executive

630-843-2214 flocksafety.com

Flock Safety