REDEVELOPMENT AUTHORITY AGENDA

November 04, 2026 at 7:45 AM

City Hall - Council Chambers, 828 Center Avenue, Sheboygan, WI

It is possible that a quorum (or a reverse quorum) of the Sheboygan Common Council or any other City committees/boards/commissions may be in attendance, thus requiring a notice pursuant to State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553, 494 N.W.2d 408 (1993).

Persons with disabilities who need accommodations to attend this meeting should contact the Building Inspection office, (920) 459-3477. Persons other than commission, committee, and board members who wish to participate remotely shall provide notice to the Building Inspection office at 920-459-3477 by 12:00 p.m. on meeting day so that the person may be provided a remote link for that purpose. All Committee members may attend the meeting remotely.

OPENING OF MEETING

1. Roll Call
2. Call to Order
3. Pledge of Allegiance
4. Identify potential conflict of interest

MINUTES

5. Motion to approve the minutes from October 21, 2026.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. Request to use RDA Land - Run Santa Run Event
7. 809 Riverfront Drive - RDA Consent Request

TENTATIVE DATE OF NEXT REGULAR MEETING

8. November 18, 2026

ADJOURN

9. 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

REDEVELOPMENT AUTHORITY MINUTES

Wednesday, October 21, 2026

MEMBERS PRESENT: Roberta Filicky-Peneski, Deidre Martinez, Alderperson Dean Dekker, Steve Harrison, Jim Conway and Cleo Messner

STAFF/OFFICALS PRESENT: Finance Director Kaitlyn Krueger, Planning and Development Director Zeinert, and Planner Jeff Witte

Excused: Marcia Reinthaler

OPENING OF MEETING

1. Roll Call

   Roberta Filicky-Peneski, Deidre Martinez, Alderperson Dean Dekker, Steven Harrison, Jim Conway, and Cleo Messner

2. Call to Order

   The meeting was called to order at 7:46 am.

3. Pledge of Allegiance

   The Pledge of Allegiance was recited.

4. Identify Potential Conflict(s) of Interest

   No conflict is identified.

MINUTES

5. Motion to approve the minutes from October 7, 2026.

   Motion made by Steve Harrison, second by Deidre Martinez to approve the minutes from October 7, 2026. Motion carried.

CLOSED SESSION

6. EPower LLC Update

   Motion made by Steve Harrison, second by Alderperson Dean Dekker to convene into closed session.

   Roll Call Vote:

Yea: Roberta Filicky-Peneski, Deidre Martinez, Alderperson Dean Dekker, Steve Harrison, Jim Conway and Cleo Messner

Nay: None

Abstain: None

Closed Session: Motion to convene into closed session under the exemption provided in Wis. Stat. ss.19.85(1)(g) for the purpose of conferring with legal counsel for the government body who is rendering oral or written advise concerning strategy to be adopted by the body with respect to litigation in which it is or could be involved, relating to a business loan for ePower, LLC.

OPEN SESSION

7. Motion to reconvene in open session

   Roll Call Vote:

   Yea: Roberta Filicky-Peneski, Deidre Martinez, Alderperson Dean Dekker, Steve Harrison, Jim Conway and Cleo Messner

   Nay: None

   Abstain: None

   A motion was made by Jim Conway, seconded by Alderperson Deidre Martinez, to resolve the outstanding issue with ePower, LLC, through a settlement of $3,000, payable in three (3) monthly installments of $1,000 each. The motion further stipulates that failure to comply with the agreed-upon payment terms will result in a request for repayment of the full outstanding amount. Motion carried.

ITEMS FOR DISSCUSSION AND POSSIBLE ACTION

8. Quarterly Financial Report

   Finance Director Krueger presented the Quarterly Financial Report for review and discussion.

9. Amendments to the Business Revolving Loan Fund Manual

   Motion by Jim Conway, seconded by Steve Conway, to approve the amendments to the Business Revolving Loan Fund Manual and replace “Designated Committee” with “Redevelopment Authority "on page 16. Motion carried.

10. 2026 RLF Application Statistics

    Planning and Development Director Zeinert presented 2026 RLF application statistics for review and discussion.

TENTATIVE DATE OF NEXT REGULAR MEETING

11. November 4, 2026

ADJOURN

12. Motion to Adjourn

    Motion made by Deidra Martinez second by Alderperson Dean Dekker to adjourn the meeting. Motion carried. Being no further business, the meeting was adjourned at 8:24 am.

City of Sheboygan
PLANNING AND DEVELOPMENT
Sheboygan City Hall
828 Center Ave, Suite 201
Sheboygan, WI 53081

To: Redevelopment Authority

Date: November 4th, 2026

Subject: Use of RDA properties by Race Day Events for the annual Run Santa Run 5k Series Event.

Race Day Events is requesting to use the RDA owned property parcel numbers 59081322001,5928132032,59281322025,59281322010,59281322010,59281322003,59281322016,592813322013 and 59281322060 for the Annual Run Santa Run 5k Series Event (see attached map) scheduled for December 5th, 2026.

The Run Santa Run 5K is an annual community event in Sheboygan that partners with the U.S. Marine Corps Reserve Toys for Tots Program. The event collects new, unwrapped toys, which are distributed as Christmas gifts to less fortunate children in the local community.

The RDA is being asked to consider granting permission for the use of the identified properties in support of this community event on December 5, 2026.

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828 Center Ave, Suite 201
Sheboygan, WI 53081

To: Redevelopment Authority

Date: November 4, 2026

Subject: 809 Riverfront Drive – Consent Request

Ashton and James Rautmann, through their respective entities, Weather Center Café 2.0, LLC (the operating company) and Rautmann River, LLC (the real estate holding company), are in the process of purchasing the Weather Center Café building located on parcel 59281109920. The underlying land is owned solely by the Sheboygan Redevelopment Authority (RDA), which owns the land but not the building.

To facilitate the transaction and meet the anticipated closing date of November 6, 2026, the purchasers are requesting RDA consideration and approval of the following:

1. Consent and Assignment of Commercial Lease: Approval of the assignment of the existing RDA ground lease for the Weather Center Café property to Rautmann River, LLC, allowing it to become the successor tenant under the lease.

2. Consent to Seller-Financing Collateral Documents: Approval of collateral arrangements securing the seller-financed portion of the purchase price, which may include business assets, equipment, fixtures, and other personal property associated with the business.

3. Consent to Leasehold Mortgage: Approval of a leasehold mortgage securing the seller-financed portion of the purchase price, allowing a mortgage lien to be placed against Rautmann River, LLC's leasehold interest in the RDA property and, as permitted, the building and improvements.

The RDA's consideration and approval of these requests are necessary to facilitate the sale and transfer of the Weather Center Café and allow the transaction to proceed toward its anticipated closing date of November 6, 2026.

City of Sheboygan
PLANNING AND DEVELOPMENT
Sheboygan City Hall
828 Center Ave, Suite 201
Sheboygan, WI 53081

COLLATERAL ASSIGNMENT OF LEASE

Document Number | Document Title

THIS COLLATERAL ASSIGNMENT OF LEASE is effective as of the last date signed below by The Redevelopment Authority of Sheboygan ("Landlord") and Rautmann River, LLC ("Tenant") in favor of The Leaning Shanty, LLC, a Wisconsin limited liability company ("Lender").

BACKGROUND

Landlord is the owner of real property located at 809 Riverfront Drive, Sheboygan, Wisconsin, as legally described on the attached Exhibit A (the "Premises"), and Landlord has leased the Premises to Tenant, pursuant to a lease dated September 18, 1991. The Lease includes all extensions, renewals, modifications and replacements, specifically the Assignment and Consent to Assignment of Ground Lease dated effective November 4, 2026, attached hereto and marked as Exhibit 1, by and between Tenant and Landlord (as amended, the "Leases"). Tenant has agreed to collaterally assign all of its right, title and interest in the Leases to Lender to secure all debts, obligations and liabilities to Lender arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Lender to Tenant, or to any other party guaranteed or endorsed by Tenant (the "Loan" or "Obligations").

Recording Area (H&H-22252)

RETURN ADDRESS:
Holden & Hahn, S.C.
903 North 6th Street
Sheboygan, WI 53081

Part of 59281109920
Parcel Identification Numbers

NOW, THEREFORE, the parties agree:

1. Tenant does hereby sell, assign, transfer and set over to Lender all its right, title and interest of, in and to the Leases. Landlord consents to and approves such assignment, and Lender accepts such assignment. Notwithstanding the foregoing, Tenant shall have the right to retain, use and enjoy the Premises as long as no event of default has occurred and is continuing under any of the Loan Agreements (as defined below) beyond any applicable notice and cure period.

2. Landlord shall give prompt notice to Lender of any default by Tenant under the Leases specifying the nature of the default and shall allow Lender the same opportunity as Tenant to cure any such default of Tenant under the Leases before enforcing its rights under the Leases. Landlord shall not amend the notice or cure provisions of the Leases without giving written notice to Lender of such amendment.

3. Landlord represents and warrants, as of the date hereof, that: (i) the Leases are in full force and effect and valid and binding in accordance with their terms and constitute the entire agreement between Landlord and Tenant with respect to the lease of the Premises; (ii) Landlord is the owner and holder of the landlord's interest under the Leases. Tenant represents and warrants, as of the date hereof, that: (x) Tenant has not previously assigned or pledged the Leases or an interest therein; (y) Tenant is not in default and is not aware of any event that, but for the passage of time or the giving of notice or both, would constitute a default under the Leases; and (z) the Leases provided to Lender are true, correct and complete copies of the Leases.

4. Upon default by Tenant under the terms of any agreement or document related to the Obligations (the "Loan Agreements") beyond any applicable notice and cure period, and during the continuance of such default, Lender may institute any proceedings to enforce this Agreement. If such default occurs and is continuing, in addition to all other rights conferred on Lender by the Loan Agreements and by law, Lender (or any person, firm or entity designated by Lender), upon prior written notice to Tenant, shall have the right and power, but not the obligation, to enter and take possession of the Premises and to exercise every right of Tenant under the Leases. For such purposes, Tenant does constitute and appoint Lender its true and lawful attorney for it and in its name, which appointment is a power coupled with an interest and is irrevocable, to exercise or perform any act, power, right or obligation whatsoever that it has or may hereafter acquire in connection with the Leases. The taking of any action as provided herein by Lender shall not relieve Tenant of its obligations under the Leases and Tenant shall promptly pay upon demand all reasonable costs and expenses, including reasonable attorney fees, incurred by Lender in exercising its rights hereunder.

5. Landlord agrees that, with respect to any personal property of Tenant, or in which Tenant has an interest (whether such property is now or hereafter located on or in the Premises), including without limitation machinery, equipment, furniture, fixtures, inventory, and goods or merchandise, and all additions, replacements, and substitutions therefor, and all of the proceeds thereof (collectively, the "Property"), the Property shall at all times be deemed to remain personal property, and if for any reason any of the Property is deemed to be a fixture, Landlord disclaims any right, title, lien, or security or other interest in the Property, and will not assert any claim against the Property. Landlord agrees that Lender, through its authorized representatives, may enter upon the Premises at any time and from time to time upon reasonable prior notice to Tenant during the term of the Leases and for a reasonable period upon termination of the Leases so long as any Property is located on the Premises, for purposes of examining any Property or, following a default under the Loan Agreements beyond any applicable notice and cure period or termination of the Leases, removing any Property. Lender shall repair any physical damage to the Premises caused by such removal.

6. Lender may assign its rights hereunder and will advise the Landlord and Tenant in writing upon such assignment. This Agreement shall be binding on Landlord, Tenant and their respective successors and permitted assigns. All notices pursuant to this Agreement shall be in writing in accordance with the terms of the Leases, with notice to the Lender at the address below:

The Leaning Shanty, LLC	with a copy to:	Holden & Hahn, S.C.
936 N. 26th Street		903 N. 6th Street
Sheboygan, WI 53081		Sheboygan, WI 53081

7. If the Loan secured by this lien or Agreement was made under a United States Small Business Administration ("SBA") nationwide program which uses tax dollars to assist small business owners and if the United States is seeking to enforce this Agreement, then under SBA regulations: When SBA is the holder of a note (the "Note"), evidencing the Loan, this document and all documents evidencing or securing the Loan will be construed in accordance with federal law. Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No borrower, including Tenant, or guarantor may claim or assert against SBA any local or state law to deny any obligation of such borrower, or defeat any claim of SBA with respect to the Loan. Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

[*Signatures to Follow.*]

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease as of the last date signed below.

LANDLORD: The Redevelopment Authority of Sheboygan, a Wisconsin Public Corporation

_____	_____
Roberta Filicky-Peneski, Chairperson	Taylor Zeinert, Executive Director
Date: _____	Date: _____

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this _____day of _____, 2026, the above-named Roberta Filicky-Peneski and Taylor Zeinert , as Chairperson and Executive Director, respectively, of the Redevelopment Authority of the City of Sheboygan, Wisconsin, and to me known to be the persons who executed the foregoing instrument and acknowledged the same in such capacity.

_____

*Print Name: _____

Notary Public, State of Wisconsin

My Commission expires _____.

[Additional signature pages follow]

LENDER: The Leaning Shanty, LLC, a Wisconsin limited liability company

_____
By: Teek Phippen, Member

Date: _____

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this _____ day of _____, 2026, the above-named Teek Phippen as a member of the Leaning Shanty, LLC, and to me known to be the person who executed the foregoing instrument and acknowledged the same in such capacity.

_____
*Print Name: _____

Notary Public, State of Wisconsin

My Commission expires _____.

[Additional signature page follows]

TENANT: Rautmann River, LLC, a Wisconsin limited liability company

_____ _____
By: James Rautmann, Member By: Ashton Rautmann, Member

Date: _____ Date: _____

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this ___ day of _____, 2026, the above-named James Rautmann and Ashton Rautmann as authorized signatories of Rautmann River, LLC, and to me known to be the persons who executed the foregoing instrument on behalf of Rautmann River, LLC and acknowledged the same in such capacities.

_____

*Print Name: _____

Notary Public, State of Wisconsin

My Commission expires _____.

ASSIGNMENT AND CONSENT TO ASSIGNMENT OF GROUND LEASE

The Leaning Shanty, LLC, a Wisconsin limited liability company ("**Assignor**"), for a valuable consideration, assigns and conveys to **Rautmann River, LLC** ("**Assignee**") the Lessee's interest in a Ground Lease dated the 18th day of September, 1991, executed by The Redevelopment Authority of Sheboygan as Lessor to Christine E. Holbrook, Michael J. Roth, and Susan C. Roth, d/b/a/ Harborside Project 809 as Lessee regarding land in Sheboygan County, State of Wisconsin, which Ground Lease was recorded in the Office of the Register of Deeds of Sheboygan County, on February 14, 1992, in Volume 1200 of Records, Pages 392/402, Document Number 1334867. The Ground Lease encumbers real estate described in the attached Exhibit A.

The parties acknowledge that the interest of Susan C. Roth in the Ground Lease was assigned to Michael J. Roth and Christine E. Holbrook, as recorded in the Office of the Register of Deeds of Sheboygan County, on April 16, 1993, in Volume 1268 of Records on Pages 551/2 of Document

RETURN:
HOLDEN & HAHN, SC.
903 NORTH 6TH STREET
SHEBOYGAN, WI 53081
(H&H-22252)

Part of 59281109920 .
This is not homestead property.

Assignor represents and warrants that it owns the entire Lessee's leasehold interest in the Ground Lease; has not previously assigned, transferred, pledged, mortgaged, or otherwise encumbered that interest, except as expressly disclosed in this Assignment; and has full right, power, and authority to make this Assignment.

The parties acknowledge the Assignment and Consent to Assignment of Ground Lease dated August 4, 1998, executed by Christine E. Holbrook and Michael J. Roth, d/b/a Harborside Project 809, to The Leaning Shanty, LLC, which Assignment and Consent was recorded in the Office of the Register of Deeds of said County on August 17, 1998, in Volume 1598 of Records on Pages 823/4 of Document Number 1515317. Further, the parties hereby acknowledge and agree the aforementioned recorded Assignment and Consent contained a clerical error, and to correct the public record for the purposes of this new Assignment, the parties agree that of said recorded document is corrected in part to accurately reflect the original contracting parties were the Redevelopment Authority of Sheboygan as Lessor and Christine E. Holbrook, Michael J. Roth and Susan C. Roth d/b/a Harborside Project 809 as Lessee and that said Lessee assigned its interest therein to The Leaning Shanty, LLC.

For purposes of this Assignment, the "Effective Date" means the date on which this Assignment has been executed by Assignor, Assignee, and Lessor, as evidenced by the last signature affixed. Effective as of the Effective Date, by accepting and recording this Assignment, Rautmann River, LLC, as Assignee, assumes and agrees to timely pay, perform, and fulfill only those obligations contained in the portions of the Ground Lease and related documents that have actually been provided to Assignee and are specifically identified in or attached to this Assignment. Assignee does not assume any obligation contained solely in Ground Lease documentation or exhibits that have not been provided to Assignee, including any complete Ground Lease documentation or exhibits that the City has been unable to locate.

Based on its records, The Redevelopment Authority of Sheboygan confirms that the Ground Lease is currently in full force and effect, has not been modified except as disclosed in this Assignment, is paid current, and is not subject to any existing default or notice of default. In consideration of Assignee's assumption of the Ground Lease as expressly limited above, The Redevelopment Authority of Sheboygan hereby consents to the above assignment and releases and forever discharges The Leaning Shanty, LLC from any and all financial defaults, performance liabilities, or obligations under the Ground Lease arising after the Effective Date, and agrees that all future liability regarding the Ground Lease

assumed by Rautmann River, LLC shall be the obligation of Rautmann River, LLC and its successors and assigns. The Redevelopment Authority of Sheboygan, for itself and the City of Sheboygan, further acknowledges that Rautmann River, LLC, as Lessee, shall have all rights to use the buildings and improvements located on the real estate described in Exhibit A during the term of the Ground Lease.

Assignor shall indemnify, defend, and hold harmless Assignee and its members, managers, officers, agents, successors, and assigns from and against all defaults, liabilities, obligations, claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising from or attributable to any period before the Effective Date.

This Assignment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Signatures transmitted electronically, including by electronic mail in portable document format or by an electronic-signature service, shall be deemed original signatures and shall be fully effective for all purposes.

[***Remainder of Page Intentionally Left Blank. Signatures to Follow***.]

Dated this _____day of _____, 2026.

ASSIGNOR: The Leaning Shanty, LLC, a Wisconsin limited liability company

_____
By: Teek Phippen, Member

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this _____ day of _____, 2026, the above-named Teek Phippen as a member of the Leaning Shanty, LLC, and to me known to be the person who executed the foregoing instrument and acknowledged the same in such capacity.

_____
*Print Name: _____
Notary Public, State of Wisconsin
My Commission expires _____.

Dated this _____day of _____, 2026.

ASSIGNEE: Rautmann River, LLC, a Wisconsin limited liability company

_____ _____

By: James Rautmann, Member By: Ashton Rautmann, Member

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this _____ day of _____, 2026, the above-named James Rautmann and Ashton Rautmann as authorized signatories of Rautmann River, LLC, and to me known to be the persons who executed the foregoing instrument on behalf of Rautmann River, LLC and acknowledged the same in such capacities.

_____

*Print Name:

Notary Public, State of Wisconsin

My Commission expires _____.

Dated this _____day of _____, 2026.

LESSOR: The Redevelopment Authority of Sheboygan, a Wisconsin Public Corporation

_____ _____
Roberta Filicky-Peneski, Chairperson Taylor Zeinert, Executive Director

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this _____day of _____, 2026, the above-named Roberta Filicky-Peneski and Taylor Zeinert , as Chairperson and Executive Director, respectively, of the Redevelopment Authority of the City of Sheboygan, Wisconsin, and to me known to be the persons who executed the foregoing instrument and acknowledged the same in such capacity.

_____

*Print Name: _____

Notary Public, State of Wisconsin

My Commission expires _____.

This Instrument Drafted By:
Attorney Richard Hahn,
State Bar No. 1019020
Holden & Hahn, S.C.
903 North Sixth Street,
Sheboygan, WI 53081
Telephone: (920) 458-0707
Facsimile No. (920) 458-4359
E: consult@holdenandhahn.com

EXHIBIT A

Part of the following described lands:

All of Block 210 and part of Blocks 206 and 211 of the Original Plat of the City of Sheboygan, County of Sheboygan, State of Wisconsin, and vacated streets and alleys within the area East of South Franklin Street and South 7th Street, South of Virginia Avenue, West of the Sheboygan River, and North of the center line of Maryland Avenue, described as: Commencing at the intersection of the North line of Block 206 with the River; thence West along said North line to a point 23 feet East of its intersection with the East line of South 7th Street; thence Southwesterly 92.83 feet to a point in said East line of South 7th Street 90 feet South of the North line of Block 206; thence South along said East line 73.84 feet to the intersection with the Southeasterly line of South Franklin Street; thence Southwesterly on said Southeasterly line 195.5 feet to a point 14.25 feet East and 50.04 feet North of the Northeast corner of Lot 1, Block 211; thence continuing along said Southeasterly line, 239.12 feet to a point in the North line of Lot 11, Block 211, 24.36 feet West of the Northeast corner of said Lot 11; thence continuing along said Southeasterly line 208.53 feet to a point 20 feet North and 0.77 feet East of the Northeast corner of Lot 4, Block 234 of the Original Plat; thence East along a line parallel to and 20 feet North of the North line of Block 234 to the Sheboygan River; thence North along said River to the point of beginning. Also the vacated Easterly 20 feet of the Westerly 80 feet of South Franklin Street lying South of a line 5 feet North of the North line of New Jersey Avenue and adjacent to the aforedescribed; excepting Lot 1, Block 206, except the West 27.50 feet thereof. Included herein is LJM Riverfront Condominium created by a "Declaration of Condominium" recorded on April 25, 2018 in the Office of the Register of Deeds for Sheboygan County, Wisconsin as Document No. 2055572, and any amendments and/or corrections thereto, and by its Condominium Plat and any amendments and/or corrections thereto.

For informational purposes only:
Property Address: 809 Riverfront Dr, Sheboygan, WI 53081
Tax Key Number: Part of 59281109920

Return Address: Holden & Hahn, S.C.
903 North 6th Street
Sheboygan, WI 53081

Parcel Numbers: Part of 59281109920.

LEASEHOLD MORTGAGE

Space Above This Line For Recording Data

DATE AND PARTIES. This Leasehold Mortgage (Security Instrument) is effective as of the last date signed below. The parties and their addresses are:

MORTGAGOR, whether one or more**:**
RAUTMANN RIVER, LLC
A Wisconsin Limited Liability Company
9277 W. 98th Place
Westminster, CO 80021

Rautmann River, LLC, Ground Lessee, and THE REDEVELOPMENT AUTHORITY OF SHEBOYGAN, a Wisconsin Public Corporation, Ground Lessor.

LENDER:
THE LEANING SHANTY, LLC
A Wisconsin Limited Liability Company
936 N. 26th Street
Sheboygan, WI 53081

LANDLORD:
THE REDEVELOPMENT AUTHORITY OF SHEBOYGAN
A Wisconsin Public Corporation
828 Center Avenue, Suite 201
Sheboygan, WI 53081

1. DEFINITIONS. For the purposes of this document, the following term has the following meaning.

A. Loan. "Loan" refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction.

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, conveys, mortgages and sells to Lender a security interest in and to all of Mortgagor's rights, title and interest in the Lease and Mortgagor's leasehold estate in and to the following described real property as security for the Secured Debts (all referred to as Property):

SEE LEGAL DESCRIPTION PER THE ATTACHED EXHIBIT A.

For informational purposes only: Property is in the CITY OF SHEBOYGAN, SHEBOYGAN COUNTY, with a physical address of 809 RIVERFRONT DRIVE, SHEBOYGAN, WI 53081.

Landlord has leased the Property to Mortgagor pursuant to a lease dated September 18, 1991 (the "Lease"). The Lease includes all extensions, renewals, modifications and replacements. Landlord's acknowledgment and consent to this agreement is required. This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

3. MAXIMUM OBLIGATION LIMIT. The total principal amount secured by this Security Instrument at any one time and from time to time will not exceed $450,000.00. Any limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

4. SECURED DEBTS. The term "Secured Debts" includes and this Security Instrument will secure each of the following:

A. **Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements: a promissory note and other agreements, from Mortgagor to Lender, with a loan amount of $450,000.00.

B. **All Debts.** All present and future debts from Mortgagor to Lender arising under the promissory note and other agreements described in subsection A, whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each agrees that it will secure such debts incurred either individually or with others who may not sign this Security Instrument. Nothing in this Security Instrument constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. This Security Instrument will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Security Instrument will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities. This Security Instrument will not secure any other debt if Lender, with respect to that other debt, fails to fulfill any necessary requirements or fails to conform to any limitations of the Truth in Lending Act (Regulation Z) or the Real Estate Settlement Procedures Act (Regulation X) that are required for loans secured by the Property.

C. **Sums Advanced**. All sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

5. LIMITATIONS ON CROSS-COLLATERALIZATION. The cross-collateralization clause on any existing or future loan, but not including this Loan, is void and ineffective as to this Loan, including any extension or refinancing. The Loan is not secured by a previously executed security instrument if a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. The Loan is not secured by a previously executed security instrument if Lender fails to fulfill any necessary requirements or fails to conform to any limitations of the Real Estate Settlement Procedures Act, (Regulation X), that are required for loans secured by the Property or if, as a result, the other debt would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

The Loan is not secured by a previously executed security instrument if Lender fails to fulfill any necessary requirements or fails to conform to any limitations of the Truth in Lending Act, (Regulation Z), that are required for loans secured by the Property.

6. PAYMENTS. Mortgagor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.

7. WARRANTY OF TITLE. Mortgagor warrants that Mortgagor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell and mortgage the Property. Mortgagor also warrants that the Property is unencumbered, except for encumbrances of record.

8. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:

A. To make all payments when due and to perform or comply with all covenants.

B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.

C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

9. CLAIMS AGAINST TITLE. Mortgagor, when contractually or legally obligated, will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment, Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.

10. DUE ON SALE OR ENCUMBRANCE. Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law, as applicable.

11. TRANSFER OF AN INTEREST IN THE MORTGAGOR. If Mortgagor is an entity other than a natural person (such as a corporation, partnership, limited liability company or other organization), Lender may demand immediate payment if:

A. A beneficial interest in Mortgagor is sold or transferred, resulting in a change of control, without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed.

B. There is a change in either the identity or number of members of a partnership or similar entity that results in a change of control, without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed.

C. There is a change in ownership of more than 25 percent of the voting stock of a corporation, partnership, limited liability company or similar entity without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed.

However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.

12. WARRANTIES AND REPRESENTATIONS. Mortgagor and Landlord have the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Mortgagor or Landlord or to which either is a party. Landlord warrants that Landlord owns the Property in fee simple. Mortgagor warrants that it is not in default under the Leases and that it will comply with all provisions of the Leases and this Security Instrument until the Secured Debts are paid in full. Mortgagor makes to Lender the following warranties and representations which will continue as long as this Security Instrument is in effect:

A. Power. Mortgagor is duly organized, and validly existing and in good standing in all jurisdictions in which Mortgagor operates. Mortgagor has the power and authority to enter into this transaction and to carry on Mortgagor's business or activity as it is now being conducted and, as applicable, is qualified to do so in each jurisdiction in which Mortgagor operates.

B. Authority. The execution, delivery and performance of this Security Instrument and the obligation evidenced by this Security Instrument are within Mortgagor's powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which Mortgagor is a party or to which Mortgagor is or any of Mortgagor's property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to Lender, Mortgagor has not changed Mortgagor's name or principal place of business within the last 10 years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve Mortgagor's existing name, trade names and franchises.

13. LANDLORD CONSENT. Landlord consents to and acknowledges the assignment of all of Mortgagor's rights, title and interest in the Property. In the event of default, Landlord will not unreasonably withhold any consent necessary for Lender to exercise any remedy regarding the Property not inconsistent with the provisions of the Leases. All such remedies remain subject to the Lease and Landlord's rights thereunder.

14. PROPERTY CONDITION, ALTERATIONS, INSPECTION, VALUATION AND APPRAISAL. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed. Mortgagor will notify Lender of all material demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed, except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor will not partition or subdivide the Property without Lender's prior written consent, which will not be unreasonably withheld, conditioned or delayed.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time and frequency, upon reasonable prior notice to Mortgagor except in an emergency, for the purpose of inspecting, valuating, or appraising the Property. Lender will give Mortgagor notice at the time of or before an on-site inspection, valuation, or appraisal for on-going due diligence or otherwise specifying a reasonable purpose. Lender's notice will specify a reasonable purpose for the on-site inspection, valuation, or appraisal. Any inspection, valuation or appraisal of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection, valuation or appraisal for its own purpose, except as otherwise provided by law.

15. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, after written notice to Mortgagor and a reasonable opportunity to perform, perform or cause them to be performed; provided that no prior notice is required in a genuine emergency presenting an imminent risk of material harm to the Property or Lender's security. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount reasonably necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may, subject to the foregoing notice requirement, take all steps reasonably necessary to protect Lender's security interest in the Property, including completion of the construction.

16. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Mortgagor agrees to comply with the provisions of the Leases. If the Property includes a unit in a condominium, time-share estate or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium, time-share estate or planned unit development.

17. DEFAULT. Mortgagor will be in default if any of the following events (known separately and collectively as an Event of Default) occur:

- **A. Payments.** Mortgagor fails to make a payment in full when due.
- **B. Insolvency or Bankruptcy.** The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Mortgagor, Borrower, or any co-signer, endorser, surety or guarantor of this Security Instrument or any other obligations Borrower has with Lender; or the commencement of any such involuntary proceeding against any such person that is not dismissed or stayed within sixty (60) days.

C. Business Termination. Mortgagor merges, dissolves, reorganizes, ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. Failure to Perform. Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument.

E. Other Documents. A default occurs and continues beyond any applicable notice and cure period under the terms of any other document relating to the Secured Debts.

F. Other Agreements. Mortgagor is in default beyond any applicable notice and cure period on any other debt or agreement Mortgagor has with Lender.

G. Modification. Mortgagor and Landlord materially modify, terminate or replace the Lease without prior written consent of Lender, which consent will not be unreasonably withheld, conditioned or delayed.

H. **Misrepresentation**. Mortgagor makes any verbal or written statement or provides any financial information that is materially untrue, inaccurate, or conceals a material fact at the time it is made or provided.

I. Judgment. Mortgagor fails to satisfy or appeal any judgment against Mortgagor.

J. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

K. Name Change. Mortgagor changes Mortgagor's name or assumes an additional name without notifying Lender before making such a change.

L. Property Transfer. Outside the ordinary course of business, Mortgagor transfers all or a substantial part of Mortgagor's money or property. This condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the DUE ON SALE section.

M. Property Value. Lender reasonably determines in good faith, based on objective evidence, that the value of the Property has materially declined or is materially impaired and that such decline or impairment materially jeopardizes Lender's security.

N. Material Change. Without first notifying Lender, there is a material change in Mortgagor's business, including ownership, management, and financial conditions.

O. Insecurity. Lender reasonably determines in good faith, based on objective evidence, that a material adverse change has occurred in Mortgagor's financial condition from the conditions set forth in Mortgagor's most recent financial statement before the date of this Security Instrument and that the prospect for payment or performance of the Secured Debts is materially impaired as a result.

18. DEFAULT UNDER LEASE. If Mortgagor defaults under any term of the Leases, Landlord agrees to notify Lender in writing of the default before exercising any rights or remedies available to Landlord as a result of the default. In addition, Landlord agrees that Lender will have the right to cure any default within 30 days of receipt of such notice unless the nature of the default is such that it cannot be cured within 30 days, in which case Lender shall have 90 days to cure the default. During the applicable cure period, Landlord agrees that Landlord will take no action to exercise any rights or remedies available under the Leases or by law as a result of such default without Lender's prior written consent. In the event Lender cures any default by Mortgagor under the Leases, Mortgagor agrees to indemnify and hold Lender harmless from reasonable expenses incurred by Lender to cure or contest the default under the Leases. Mortgagor agrees that Lender shall be subrogated to all the rights and remedies of the Landlord under the Leases to the extent provided by the Leases and applicable law. Lender is not responsible for any prior default of Mortgagor under the Leases and in no way assumes or guarantees Mortgagor's performance under the Leases. At Lender's option, Lender may:

A. Contest any allegations by Landlord of default under the Leases.

B. Cure the default and retain Mortgagor in possession of the Property.

C. Cure the default and, subject to the Leases and Landlord's rights thereunder, foreclose by subrogation to Landlord’s rights against Mortgagor’s interest in the Property and assume all responsibilities of Mortgagor under the Leases while Lender is in possession of the Property.

19. REMEDIES. Except for an Event of Default under subsection 17.B that is not reasonably capable of cure, no Event of Default will be deemed to have occurred unless Lender gives Mortgagor written notice specifying the default and Mortgagor fails to cure the default within ten (10) business days after receipt of notice. On or after the occurrence of an Event of Default, Lender may use any and all remedies Lender has under state or federal law or in any document relating to the Secured Debts. Any reasonable and documented amounts advanced on Mortgagor's behalf in accordance with this Security Instrument will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagor's default.

Subject to the notice and cure rights in this Security Instrument, any required time schedules, and any other notice rights, Mortgagor may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of an Event of Default or anytime thereafter. All such remedies are subject to the Lease and Landlord's rights thereunder.

All remedies are distinct, cumulative and not exclusive, and Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

Upon the exercise of these or any other remedies Lender may do such remodeling, renovation and repairs to the Property as Lender may reasonably deem necessary, subject to the terms and conditions of the Leases and Landlord's rights thereunder. If Lender exercises any remedy, Lender shall be obligated to Landlord under the terms of the Lease only for the time Lender is in possession of the Property. Subject to the Lease and Landlord's rights thereunder, Lender shall have no further obligation to Landlord and shall be deemed to be released by Landlord from the terms of the Lease when Lender relinquishes possession of the Property. Lender shall have no obligation to undertake any further remedies whatsoever and has no obligation to Mortgagor to cure any defaults under the Leases, except as specifically and expressly undertaken by Lender.

20. REDEMPTION. The period of redemption is anytime before the foreclosure sale.

21. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after the occurrence of an Event of Default, to the extent permitted by law, Mortgagor agrees to pay all expenses of collection, enforcement, valuation, appraisal or protection of Lender's rights and remedies under this Security Instrument or any other document relating to the Secured Debts. Mortgagor agrees to pay reasonable and documented expenses for Lender to inspect, valuate, appraise and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. In addition, to the extent permitted by the United States Bankruptcy Code, Mortgagor agrees to pay the reasonable attorneys' fees incurred by Lender to protect Lender's rights and interests in connection with any bankruptcy proceedings initiated by or against Mortgagor.

22. FORECLOSURE WITHOUT DEFICIENCY. If this Property is a 1-4 family residence that is owner-occupied at the beginning of a foreclosure action, a farm, a church or a tax-exempt nonprofit charitable organization, then Mortgagor agrees to the provisions of Wis. Stat. Ann. § 846.101, as amended, permitting Lender to waive its right to a judgment for a deficiency on real estate of 20 acres or less, and to hold a sale of the Property six months after the foreclosure judgment is entered. If this Property is not a 1-4 family residence that is owner-occupied at the beginning of a foreclosure action, a farm, a church or a tax-exempt nonprofit charitable organization, then Mortgagor agrees to the provisions of Wis. Stat. Ann. § 846.103, as amended, permitting Lender to waive its right to a judgment for a deficiency, and to hold a sale of the Property three months after a foreclosure judgment is entered. Regardless of terms to the contrary, if Mortgagor abandons the Property, then the sale of the Property shall be after two months from the date a foreclosure judgment is entered.

23. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state of Wisconsin and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law. Mortgagor and Landlord represent, warrant and agree that:

A. Except as previously disclosed and acknowledged in writing to Lender, to the best of their knowledge, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

B. Except as previously disclosed and acknowledged in writing to Lender, neither Landlord nor Mortgagor has or will cause, contribute to, or permit the release of any Hazardous Substance on the Property.

C. Landlord and Mortgagor agree to immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor or Landlord will take all necessary remedial action in accordance with Environmental Law.

D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and Landlord have no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Landlord, Mortgagor or any tenant of any Environmental Law. Landlord and Mortgagor agree to immediately notify Lender in writing as soon as either party has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

E. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.

F. Except as previously disclosed and acknowledged in writing to Lender, to the best of their knowledge, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.

G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

H. Mortgagor and Landlord will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time, upon reasonable prior notice except in an emergency, to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Landlord, Mortgagor, or any tenant are in compliance with applicable Environmental Law.

I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.

J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.

K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor agrees to indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation reasonable costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property without prejudice to any of Lender's rights under this Security Instrument.

L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

24. CONDEMNATION. Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above-described actions or claims.

Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

25. INSURANCE. Mortgagor agrees to keep the Property insured against the risks reasonably associated with the Property. Mortgagor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debts. Mortgagor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld, conditioned or delayed.

All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause." If required by Lender, Mortgagor agrees to maintain comprehensive general liability insurance and rental loss or business interruption insurance in amounts and under policies reasonably acceptable to Lender. The comprehensive general liability insurance must name Lender as an additional insured. The rental loss or business interruption insurance must be in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing).

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured, Lender may, after written notice and five (5) business days to cure, obtain insurance to protect Lender's interest in the Property; provided that Lender may act immediately if reasonably necessary to prevent or address a lapse in coverage. Mortgagor will pay the reasonable and documented premiums for the insurance on Lender's demand. Lender may demand that Mortgagor pay for the insurance all at once, or Lender may add the insurance premiums to the balance of the Secured Debts and charge interest on it at the rate that applies to the Secured Debts. This insurance may include lesser or greater coverages than originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance. Mortgagor acknowledges and agrees that Lender or one of Lender's affiliates may receive commissions on the purchase of this insurance.

26. ESCROW FOR TAXES AND INSURANCE. Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

27. APPLICABLE LAW. This Security Instrument is governed by the laws of Wisconsin, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law.

28. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each party's obligations under this Security Instrument are independent of the obligations of any other party. Lender may sue each Mortgagor individually or together with any other Mortgagor or Landlord. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Mortgagor and Lender.

29. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor, Landlord and Lender. This Security Instrument and any other documents relating to the Secured Debts are the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

30. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

31. NOTICE, ADDITIONAL DOCUMENTS AND RECORDING FEES. Unless otherwise required by law, any notice will be in writing and will be given by personal delivery or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice will be effective upon receipt if personally delivered and three (3) business days after deposit in the United States mail if mailed. Notice to one Mortgagor will be deemed to be notice to all Mortgagors. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any other correct and complete information Lender requests to effectively mortgage or convey the Property. Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording of this Security Instrument. Mortgagor and Landlord agree to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property, and Mortgagor agrees to pay all expenses, charges and taxes in connection with the preparation and recording thereof. Time is of the essence.

32. WAIVERS. Except to the extent prohibited by law, Mortgagor waives all appraisement and homestead exemption rights relating to the Property.

33. WAIVER OF JURY TRIAL. All of the parties to this Security Instrument knowingly and intentionally, irrevocably and unconditionally, waive any and all right to a trial by jury in any litigation arising out of or concerning this Security Instrument or any other documents relating to the Secured Debts or related obligation. All of these parties acknowledge that this section has either been brought to the attention of each party's legal counsel or that each party had the opportunity to do so.

[***Remainder of Page Intentionally Left Blank. Signatures to Follow.***]

SIGNATURES. By signing under seal, Mortgagor and Landlord agree to the terms and covenants contained in this Security Instrument. Mortgagor and Landlord also acknowledge receipt of a copy of this Security Instrument.

MORTGAGOR: Rautmann River, LLC, a Wisconsin limited liability company

By: _____ (Seal) By: _____ (Seal)
James Rautmann, Member Ashton Rautmann, Member

Date: _____ Date: _____

LANDLORD: The Redevelopment Authority of Sheboygan,
a Wisconsin Public Corporation

By: _____ (Seal) By: _____ (Seal)
Roberta Filicky-Peneski, Chairperson Taylor Zeinert, Executive Director

Date: _____ Date: _____

ACKNOWLEDGMENT.

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this ____ day of _____, 2026, the above-named James Rautmann and Ashton Rautmann as authorized signatories of Rautmann River, LLC, and to me known to be the persons who executed the foregoing instrument on behalf of Rautmann River, LLC and acknowledged the same in such capacities.

By: _____
*_____
Notary Public, State of Wisconsin
My Commission Expires: _____

STATE OF WISCONSIN)
) ss
SHEBOYGAN COUNTY)

Personally came before me on this _____day of _____, 2026, the above-named Roberta Filicky-Peneski and Taylor Zeinert, as Chairperson and Executive Director, respectively, of the Redevelopment Authority of the City of Sheboygan, Wisconsin, and to me known to be the persons who executed the foregoing instrument and acknowledged the same in such capacity.

By: _____
*_____
Notary Public, State of Wisconsin
My Commission Expires: _____

This instrument drafted by: Attorney Richard Hahn, Holden & Hahn, S.C., 903 North 6th Street, Sheboygan, WI 53081.