



# FINANCE AND PERSONNEL COMMITTEE MEETING AGENDA

**February 24, 2025 at 5:00 PM**

**Council Chambers, 828 Center Avenue, Sheboygan, WI**

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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 Finance Department at 920-459-3311. Persons other than council members who wish to participate remotely shall provide notice to the Finance Department at 920-459-3311 at least 24 hours before the meeting so that the person may be provided a remote link for that purpose.

## OPENING OF MEETING

1. Call to Order
2. Roll Call - Alderperson Felde & Alderperson Dekker may attend remotely
3. Pledge of Allegiance
4. Introduction of Committee Members and Staff

## MINUTES

5. Approval of Minutes - February 10, 2025

## ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. Res. No. 163-24-25 / February 17, 2025: A RESOLUTION authorizing the continuation of the self-insured worker's compensation program.
7. Res. No. 166-24-25 / February 17, 2025: A RESOLUTION authorizing execution of a Consent and Estoppel Certificate on behalf of the City regarding the Oscar Apartments.
8. Res. No. 168-24-25 / February 17, 2025: A RESOLUTION authorizing the appropriate City officials to sign the Amendment to Leverenz Site Parking Lot Lease.

## DATE OF NEXT REGULAR MEETING

9. Next Meeting Date - March 10, 2025

## ADJOURN

10. 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  
RESOLUTION 163-24-25**

**BY ALDERPERSONS MITCHELL AND PERRELLA.**

**FEBRUARY 17, 2025.**

A RESOLUTION authorizing the continuation of the self-insured worker’s compensation program.

WHEREAS, the City of Sheboygan is a qualified political subdivision of the State of Wisconsin; and

WHEREAS, the Wisconsin Worker’s Compensation Act (Act) provides that employers covered by the Act either insure their liability with worker’s compensation insurance carriers authorized to do business in Wisconsin, or be exempted (self-insured) from insuring liabilities with a carrier and thereby assume the responsibility for its own worker’s compensation risk and payment; and

WHEREAS, the State and its political subdivisions may self-insure worker’s compensation with a special order from the Department of Workforce Development (Department) if they agree to report faithfully all compensable injuries and agree to comply with the Act and rules of the Department.

NOW, THEREFORE, BE IT RESOLVED: That the City of Sheboygan shall provide for the continuation of a self-insured worker’s compensation program that is currently in effect.

BE IT FURTHER RESOLVED: That the City Clerk is directed to forward certified copies of this resolution to the Worker’s Compensation Division, Wisconsin Department of Workforce Development.

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  
RESOLUTION 166-24-25**

**BY ALDERPERSONS MITCHELL AND PERRELLA.**

**FEBRUARY 17, 2025.**

A RESOLUTION authorizing execution of a Consent and Estoppel Certificate on behalf of the City regarding the Oscar Apartments.

RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the Consent and Estoppel Certificate, a copy of which is attached hereto, relative to a loan by Bridgewater Bank to Oscar Apartments LLC.

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

## COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT

THIS COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT (the “Assignment”) is made as of this \_\_\_ day of \_\_\_\_\_, 2025, by and between OSCAR APARTMENTS LLC, a Delaware limited liability company (the “Assignor”), whose address is c/o Hempel Real Estate, 10050 Crosstown Circle, Suite 600, Eden Prairie, Minnesota 55344, Attn: Joshua D. Krsnak, and BRIDGEWATER BANK, a Minnesota banking corporation (the “Lender”), whose address is 4450 Excelsior Boulevard, Suite 100, St. Louis Park, Minnesota 55416, Attn: Cassie Laurvick.

### RECITALS:

A. Pursuant to a certain Loan Agreement dated as of October 18, 2024 by and between Assignor and Lender (“Loan Agreement”), the Lender has agreed to make a term loan available to Assignor in the maximum principal amount of up to \$23,500,000.00 (the “Loan”) to refinance certain debt associated with certain real property located in Sheboygan County, Wisconsin and legally described in Exhibit A attached to the Mortgage (as defined in the Consent and Estoppel Certificate attached hereto as Exhibit B) (the “Project”). The Loan is evidenced by that certain Promissory Note dated October 18, 2024, executed and delivered by the Assignor and payable to the order of the Lender in the original principal face amount of \$23,500,000.00 (the “Note”).

B. Pursuant to that certain Development Agreement dated as of January 2, 2020, as amended by that First Amendment to Development Agreement dated as of June 18, 2020, as further amended by that Second Amendment to Development Agreement dated as of March 9, 2022 (as amended, the “Development Agreement”), between the City of Sheboygan Wisconsin, a municipal corporation of the State of Wisconsin and Assignor, Assignor has developed and constructed the Project. In exchange for developing the Project, Assignor will receive from the City, among other things, property tax increment payments in an amount not to exceed \$7,250,000 (“Development Incentive Payments”).

C. In consideration of, and to secure the payment of, the Loan, the Lender has required an assignment of the Assignor’s rights under the Development Agreement, including, without limitation, the right to receive the Development Incentive Payments.

This Assignment is subject to all of the following terms, conditions and provisions:

### TERMS, CONDITIONS, AND PROVISIONS

1. PRESENT PLEDGE AND ASSIGNMENT. Pursuant to the provisions of the Uniform Commercial Code in effect within the State of Wisconsin (the “UCC”), as security for the Loan, the Assignor grants to the Lender a security interest in all of the following property: (i) all right, title and interest of the Assignor in and to the Development Incentive Payments; (ii) all right, title and interest of the Assignor in and to the Development Agreement; and (iii) all replacements, substitutions and proceeds (the “Proceeds”) relating to the items set forth in clauses (i)-(ii) (hereinafter referred to as the “Collateral”), and all documents, ledger sheets, and files of the Assignor relating to the Collateral. The term “Proceeds” includes whatever is received by the

Assignor upon the sale, exchange, or other disposition of any item of Collateral. This Assignment shall constitute a perfected, absolute and present pledge and assignment in connection with which the Assignor shall have delivered to the Lender the Collateral documents endorsed and assigned to the Lender. The Assignor shall execute and deliver to the Lender an Assignment of Development Agreement in the form attached hereto as Exhibit A (or such other form that is reasonably requested by the Lender). The Development Incentive Payments shall be paid directly to the Lender until such time as the Note has been paid in full and the Lender’s commitment to make advances to the Assignor has terminated, at which time the Lender shall provide notice to the City that such payments are to be made to the Assignor. Prior to the full payment of the Note and the termination of the Lender’s commitment to make advances to the Assignor, if the Assignor receives any Development Incentive Payments, the Assignor shall immediately remit such payments to the Lender.

2. REPRESENTATIONS AND WARRANTIES OF ASSIGNOR.The Assignor represents and warrants that:

- (a) The Assignor is the true and lawful, absolute owner of the Collateral and, except for the liens and security interests created by this Assignment, the Collateral is free and clear of any lien, security interest, or encumbrance;
- (b) Subject only to receipt of consent from the City, the Assignor has the full right and title to assign and pledge the Collateral; there are no outstanding claims, assignments or pledges thereof; and, to the actual knowledge of Assignor, there are no existing defaults under the Collateral documents on the part of makers thereof;
- (c) To Assignor’s actual knowledge, the Assignor has performed all of its obligations under the Development Agreement with respect to the Project which are required to be performed as of the date hereof;
- (d) To Assignor’s actual knowledge, there are no defenses, setoffs or counterclaims against or with regard to the Development Agreement or the indebtedness evidenced thereby;
- (e) As of the date hereof, the outstanding principal balance on the Development Incentive Payments is \$\_\_\_\_\_;
- (f) The Development Agreement has not been amended or modified in any respect and, to Assignor’s actual knowledge, is a valid and enforceable obligation of the City in accordance with its terms;
- (g) The Development Agreement remains in full force and effect; and
- (h) Except for the financing statement filed in connection with the pledge and security interest granted pursuant to this Assignment, no financing statement covering the Collateral is on file in any public office.

3. COVENANTS OF ASSIGNOR. The Assignor covenants and agrees that so long as any of the indebtedness evidenced by the Note shall be outstanding and unsatisfied and until the

Lender's commitment to make advances to the Assignor has terminated:

- (a) The Assignor shall keep the Collateral: (i) free and clear of any lien, security interest or encumbrance, except for the liens and security interests created by this Assignment; and (ii) free from all tax liens;
- (b) The Assignor shall maintain and keep accurate records, books and accounts with respect to the Collateral and any money, accounts receivable, and other proceeds of any sale or other disposition, and give to the Lender upon request, a full and complete accounting with respect to the Collateral and the money, accounts receivable, proceeds and business;
- (c) The Assignor shall permit the Lender, through any representatives it may designate, at all reasonable times upon reasonable advance notice, to enter any premises in which either the Collateral or any of the records, books and accounts may be situated, or any premises where the Lender has reasonable cause to believe the items may be situated, for the purpose of examining and inspecting the Collateral;
- (d) The Assignor shall join with the Lender in preparing and filing at the appropriate offices one or more financing statements with regard to the Collateral complying with the UCC, in form satisfactory to the Lender;
- (e) The Assignor shall maintain, or cause to be maintained, insurance policies on the Project in accordance with the requirements set forth in the Loan Agreement and set forth in the Development Agreement;
- (f) The Assignor shall do any additional acts as the Lender may reasonably require for the purpose of more completely assuring to the Lender its rights to the Collateral;
- (g) At any time the Assignor receives a written notice of default under the Development Agreement, Assignor shall promptly report such notice of default to the Lender; and
- (h) The Assignor shall fully comply with its obligations under the Development Agreement and shall not waive, excuse, condone or in any matter release or discharge the City of its obligations under the Development Agreement.

4. SECURITY AGREEMENT. This Assignment constitutes a "Security Agreement" under the UCC and shall be governed by the UCC.

5. DEVELOPMENT INCENTIVE PAYMENTS. To the extent not directly paid to the Lender, the Assignor agrees that should the City at any time make any Development Incentive Payments directly to the Assignor, the Assignor will deposit or cause to be deposited with the Lender the entire amount of such payment. Any amount deposited with the Lender shall, at Lender's option, be applied by the Lender to pay or prepay the Note in accordance with the terms of the Note or held by the Lender in an escrow account for payment of the Note. The sums held in escrow pursuant hereto are held as security for the Note, the Assignor hereby granting a security interest in such sums to the Lender as security for the same.

6. AUTHORIZATION TO THE CITY. The City is hereby irrevocably authorized and directed to make all Development Incentive Payments directly to Lender (for the account of Assignor) and to recognize the claims of the Lender or its assigns without investigating the reason for any action taken or the validity of or the amount of indebtedness owing to the Lender or its successors or assigns or the existence of any Event of Default, and the Assignor hereby irrevocably directs and authorizes the City to pay exclusively to the Lender or its assigns from and after the date hereof until such time as the Loan is indefeasibly paid in full and the Lender's commitment to make advances to Assignor has been terminated, all Development Incentive Payments that are otherwise due and payable to Assignor under the Development Agreement. To the extent such sums are paid to the Lender or its assigns, the Assignor agrees that the City shall have no further liability to the Assignor for the same. The sole receipt by the Lender or its assigns of any sum paid by the City shall be in discharge and release of that portion of any amount owed by the City to Assignor under the Development Agreement. The City is intended to and shall be a third party beneficiary to the foregoing provisions of this Section 6. The City has acknowledged the Lender's rights under this Assignment pursuant to a Consent and Estoppel Certificate, dated on or about the date hereof, in the form attached hereto as Exhibit B.

7. EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an event of default under this Assignment (individually, and, collectively, an "Event of Default"):

(a) Any failure by the Assignor to fully and completely perform any of the duties or obligations of Assignor under this Assignment or any failure by the Assignor to fully and completely observe, satisfy and comply with all terms, covenants and conditions of this Assignment and such failure is not cured within thirty (30) days after written notice thereof;

(b) Any representation or warranty of the Assignor contained in this Assignment shall be untrue or misleading in any material respect and the Assignor fails to take such actions as may be required to make such representation or warranty true and not misleading in any material respect within thirty (30) days after written notice thereof; and

(c) Any event designated as an "Event of Default" occurs under the Note, under the Loan Agreement or under any other security instrument given to secure the Note.

8. REMEDIES. Upon the occurrence and during the continuance of an Event of Default:

(a) The Lender may: (i) at its option, cure the Event of Default if it involves the payment of money (A) for insurance or taxes, assessments or other charges which Assignor has not paid in accordance with the Loan Agreement; or (B) for the satisfaction or discharge of any lien, security interest or encumbrance upon the Collateral, in which event the amount of any payments shall be added to the indebtedness secured by this Assignment, shall be secured, and shall be payable by the Assignor to the Lender on demand; (ii) at its option, declare the indebtedness secured by this Assignment and evidenced by the Note to be immediately due and payable; (iii) take possession of the Collateral in accordance with applicable law; and/or (iv) exercise any and all other rights and remedies accorded to it by the UCC. In the event that any notice is required to be given under the UCC, such requirements for reasonable notice shall be satisfied by giving at least ten (10) days' notice prior to the event or thing giving rise to the notice requirement.



(b) The Assignor shall: (i) upon demand by the Lender, assemble the Collateral and make it available to the Lender, to which the Lender shall have exclusive and unlimited access during the period it is exercising its rights and remedies under this Section 8; and (ii) pay to the Lender on demand the expenses of the Lender in retaking the Collateral, holding it, and, where it is to be disposed of, preparing it for sale and selling it, including the Lender's reasonable attorneys' fees and legal expenses incurred in connection with any retaking or sale; and (iii) upon demand by the Lender (A) assign or endorse to the Lender all Proceeds and accounts receivable resulting from the sale of any of the Collateral; and (B) deliver to the Lender all Proceeds received from the sale of any of the Collateral.

(c) Except as evidenced in a written notice signed by the Lender, no course of dealing between the parties or any delay on the part of the Lender in exercising any rights shall operate as a waiver of any rights or remedies of the Lender.

(d) No remedy conferred upon the Lender is intended to be exclusive of any other remedy.

#### 9. MISCELLANEOUS PROVISIONS.

(a) Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("Notices") must be given in accordance with the terms of the Loan Agreement.

(b) Successors and Assigns. All rights of the Lender shall inure to the benefit of its successors and assigns, and all representations, warranties, covenants and obligations of Assignor shall bind its successors and assigns.

(c) Defined Terms. The definitions of the terms used in this Assignment and not otherwise defined herein shall be those found in the UCC.

(d) Severability. It is the intent of this Assignment to confer to the Lender the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Assignment.

(e) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the state in which the Project is located.

(f) WAIVER OF TRIAL BY JURY. ASSIGNOR AND LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG ASSIGNOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT, OR ANY RELATIONSHIP BETWEEN ASSIGNOR AND LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT TO

LENDER TO PROVIDE THE LOAN DESCRIBED HEREIN AND IN THE OTHER LOAN DOCUMENTS.

(g) JURISDICTION AND VENUE. ASSIGNOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY ASSIGNOR AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS ASSIGNMENT SHALL BE LITIGATED IN THE DISTRICT COURT OF ANOKA COUNTY, MINNESOTA, THE DISTRICT COURT OF HENNEPIN COUNTY, MINNESOTA, OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA, FOURTH DIVISION OR, IF LENDER INITIATES SUCH ACTION, ANY COURT IN WHICH LENDER SHALL INITIATE SUCH ACTION AND WHICH HAS JURISDICTION. ASSIGNOR HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED BY LENDER IN ANY OF SUCH COURTS, AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED THEREIN, AND AGREES THAT SERVICE OF SUCH SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO ASSIGNOR AT THE ADDRESS TO WHICH NOTICES ARE TO BE SENT PURSUANT TO THIS ASSIGNMENT. ASSIGNOR WAIVES ANY CLAIM THAT THE DISTRICT COURT OF ANOKA COUNTY, MINNESOTA, THE DISTRICT COURT OF HENNEPIN COUNTY, MINNESOTA OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA, FOURTH DIVISION IS AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED ON LACK OF VENUE. SHOULD ASSIGNOR, AFTER BEING SO SERVED, FAIL TO APPEAR OR ANSWER TO ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE NUMBER OF DAYS PRESCRIBED BY LAW AFTER THE MAILING THEREOF, ASSIGNOR SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY LENDER AGAINST ASSIGNOR AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. THE EXCLUSIVE CHOICE OF FORUM FOR ASSIGNOR SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT BY LENDER OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING BY LENDER OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE JURISDICTION, AND ASSIGNOR HEREBY WAIVES THE RIGHT, IF ANY, TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION.

***[SIGNATURE PAGES TO FOLLOW]***

**IN WITNESS WHEREOF**, this Collateral Assignment of Development Agreement is executed as of the date first above written.

**ASSIGNOR:**

OSCAR APARTMENTS LLC,  
a Delaware limited liability company

By: SHEVEGAS OSCAR HOLDINGS, LLC,  
a Delaware limited liability company

Its: Manager

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

Name: Joshua D. Krsnak

Its: Chief Manager

**IN WITNESS WHEREOF**, this Collateral Assignment of Development Agreement is executed as of the date first above written.

**LENDER:**

BRIDGEWATER BANK,  
a Minnesota banking corporation

By: \_\_\_\_\_  
Name: Cassie Laurvick  
Its: Assistant Vice President



**EXHIBIT B**  
**CONSENT AND ESTOPPEL CERTIFICATE**

[attached hereto]

## CONSENT AND ESTOPPEL CERTIFICATE

THIS CONSENT AND ESTOPPEL CERTIFICATE (this “Estoppel Certificate”), is executed as of \_\_\_\_\_, 2025, and is from the CITY OF SHEBOYGAN, WISCONSIN, a municipal corporation of the State of Wisconsin (the “City”), to BRIDGEWATER BANK, a Minnesota banking corporation, together with its successors and/or assigns (“Lender”). The City hereby agrees with the Lender as follows:

1. Unless the context otherwise indicates, capitalized terms used but not otherwise defined herein shall have the meanings given such terms in that certain Development Agreement dated as of January 2, 2020, as amended by that First Amendment to Development Agreement dated as of June 18, 2020, as further amended by that Second Amendment to Development Agreement dated as of March 9, 2022 (as amended, the “Development Agreement”) by and between the City and Oscar Apartments LLC, a Missouri limited liability company (the “Borrower”).

2. The City understands that the Lender made a term loan available to Borrower in the maximum principal amount of up to \$23,500,000.00 (the “Loan”), pursuant to the terms of that certain Loan Agreement dated October 18, 2024 by and between Borrower and Lender (the “Loan Agreement”), which Loan is secured by, among other things, a Combination Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents dated October 18, 2024, executed by Borrower in favor of the Lender, encumbering, *inter alia*, the Project (the “Mortgage”). Pursuant to the Mortgage and pursuant to that certain Collateral Assignment of Development Agreement dated of even date herewith executed by Borrower and Lender (the “Collateral Assignment”), the Borrower has also granted to the Lender a collateral assignment of and a security interest in, all right, title and interest of Borrower in and to the Development Agreement, including, without limitation, the right to receive the Development Incentive Payments payable by the City pursuant to the terms of the Development Agreement.

3. The City understands that the Lender has required this Estoppel Certificate as a condition of making the Loan and that the Lender will rely on this Estoppel Certificate in connection therewith.

4. The City covenants, represents, and warrants to and agrees with the Lender as follows:

- a. The execution and delivery of the Development Agreement has been duly authorized by the City and is a legal, valid and binding obligation of the City.
- b. That it has received and approved copies of the Mortgage and the Collateral Assignment and that it hereby consents to the execution and delivery of the Mortgage and the Collateral Assignment, and to the liens, security interests and assignments created therein, as security for the Loan.
- c. That it has received and approved the Plans and Specification for the Project.
- d. That the Development Incentive Payments to be made by the City to the Borrower under the Development Agreement have been assigned to Lender pursuant to the

Collateral Assignment and that it will deposit all payments due in accordance with the terms of the Development Agreement with Lender at the address set forth in Section 6 below, and upon such deposit the obligations of the City to the Borrower under the Development Agreement with respect to such payment shall be deemed discharged to the extent paid directly to Lender pursuant to the terms of the Collateral Assignment.

5. The Development Agreement has not been amended or modified in any respect and represents the entire agreement of the parties thereto as to all of the subject matters dealt with therein. The Development Agreement is in full force and effect, and the City has given no notice of any default thereunder. To the best of the City's knowledge, the Borrower has performed all of its obligations under the Development Agreement which are required to be performed as of the date hereof. To the best of the City's knowledge, the Borrower is not in default in the performance or observance of any of its covenants or agreements under the Development Agreement or pursuant to any other agreement between the Borrower and the City as of the date hereof.

6. Until the satisfaction or release of the Mortgage and the termination of the Collateral Assignment, the City agrees to give the Lender a copy of each notice or demand given to the Borrower with respect to any breach or default by the Borrower in its obligations under the Development Agreement at the same time such notice, demand or other communication is given to the Borrower under the Development Agreement, addressed to the Lender as follows:

Bridgewater Bank  
4450 Excelsior Boulevard, Suite 100  
St. Louis Park, Minnesota 55416  
Attention: Cassie Laurvick

7. The City agrees to accept the cure by the Lender of any default by the Borrower under the Development Agreement within sixty (60) days after the later of (i) delivery of notice of such default to the Lender pursuant to Section 6 above and (ii) the expiration of the time provided to Borrower to cure any such default or defaults pursuant to Section 10.1 of the Development Agreement; provided, that, the City acknowledges that the Lender shall be under no obligation to cure any such default. No commencement of any performance by the Lender of any obligation of the Borrower required under the Development Agreement shall obligate the Lender to continue or complete such performance or otherwise perform any of the Borrower's obligations under the Development Agreement.

8. The City acknowledges and agrees that neither the Lender, nor its successors or assigns shall be obligated to construct or complete the Project; provided, that, if the Lender or its successors or assigns acquires the Project by foreclosure or by a conveyance in lieu of foreclosure, the City acknowledges and agrees that the Lender shall be entitled to seek from the City, and the City shall be obligated to pay to Lender, all Development Incentive Payments, in accordance with the terms set forth in the Development Agreement.



9. The City agrees to provide the Lender with notice of any proposed modifications or amendments to be made to the Development Agreement and the right to consent to such modifications or amendments.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the undersigned officers of the City have executed this Consent and Estoppel Certificate as or the date and year first written above.

**CITY OF SHEBOYGAN WISCONSIN**

By: \_\_\_\_\_  
Ryan Sorenson, Mayor

By: \_\_\_\_\_  
Meredith DeBruin, City Clerk

**CITY OF SHEBOYGAN  
RESOLUTION 168-24-25**

**BY ALDERPERSONS MITCHELL AND PERRELLA.**

**FEBRUARY 17, 2025.**

A RESOLUTION authorizing the appropriate City officials to sign the Amendment to Leverenz Site Parking Lot Lease.

WHEREAS, the Amendment to Leverage Site Parking Lot Lease, a copy of which is attached hereto, includes terms establishing a settlement amount for all unpaid rent and also extends the term of the Lease.

NOW, THEREFORE, BE IT RESOLVED: That the Mayor and City Clerk are hereby authorized to sign the Amendment to Leverenz Site Parking Lot Lease.

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

## AMENDMENT TO LEVERENZ SITE PARKING LOT LEASE

This **Amendment to Leverenz Site Parking Lot Lease** (the "Amendment") is executed effective as of the \_\_\_\_ day of \_\_\_\_\_, 2025, by and between **City of Sheboygan** (the "Landlord") and **Heartland Affordable Housing-Sheboygan Leverenz, LLC** (the "Tenant").

### WITNESSETH:

**WHEREAS**, the Landlord and Heartland Affordable Housing-Sheboygan Leverenz, Inc. entered into the Leverenz Site Parking Lot Lease dated April 1, 1992 (the "Lease"), in connection with lease of premises described in said Lease (the "Parking Lot"); and

**WHEREAS**, dedicated use of the Parking Lot is required for zoning compliance in Tenant's ownership and operations of 8<sup>th</sup> Street Lofts (formerly known as the historic Leverenz Shoe Factory) located at 531 South 8<sup>th</sup> St., Sheboygan, Wisconsin (the "Premises"); and

**WHEREAS**, Tenant became successor in interest under the Lease to Heartland Affordable Housing-Sheboygan Leverenz, Inc. on May 31, 2000, by conversion of that entity to an LLC and conveyance of the Premises to Tenant by that entity; and

**WHEREAS**, the parties to the Lease have inadvertently missed rent payment and collection due under the Lease, and Landlord and Tenant have agreed to terms and conditions to bring the Lease into good standing; and

**WHEREAS**, the Lease has a conflict in its stated term, saying that it is for "forty (40) years, beginning on September 1, 1992 and terminating on September 1, 2132;" and

**WHEREAS**, the parties wish to clarify and refresh the Lease term;

**NOW, THEREFORE**, for mutual consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Agreement of Status.** Tenant acknowledges that it is the successor in interest to Heartland Affordable Housing-Sheboygan Leverenz, Inc. under the Lease. Pursuant to Section Eleven of the Lease, Landlord acknowledges the assignment of the Lease from Heartland Affordable Housing-Sheboygan Leverenz, Inc. to Tenant.

2. **Payment of Unpaid Rent.** Tenant agrees that, upon execution of this agreement, it shall pay to Landlord the amount of \$47,324.27 for all unpaid rent owing under the Lease as of January 1, 2025, and Landlord agrees to accept such payment as full and final settlement of all amounts owed by Tenant or its predecessor under the Lease as of that date.

3. **Lease Term.** Section Two of the Lease, entitled "Term", is hereby amended to read as follows:

(a) The initial term of the lease is clarified to have been from September 1, 1992 to August 31, 2032.

(b) The lease term is hereby extended forty (40) years, beginning September 1, 2032, and ending August 31, 2072.

(c) The lease term will automatically renew thereafter as long as it is necessary or appropriate for Tenant's zoning compliance.

4. **Notices to Tenant.** Subsection (a) of Section Twelve of the Lease, entitled "Notices and Demands", is hereby amended and restated as follows:

a) In the case of the Tenant, is addressed to or delivered personally to the Tenant at 2418 Crossroads Drive, Suite 2400, Madison, Wisconsin 53718; and

5. **Reaffirmation.** The Lease, as modified and amended by this Amendment, is hereby ratified and reaffirmed by the parties in all respects.

6. **Recording of Lease.** Either party may record the Lease as amended with the Sheboygan County Register of Deeds.

7. **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**IN WITNESS WHEREOF**, the undersigned have caused this Amendment to be duly executed as of the date first set forth above.

**LANDLORD:**

**TENANT:**

**CITY OF SHEBOYGAN**

**HEARTLAND-SHEBOYGAN**

**LEVERENZ, LLC**

By Heartland Properties, Inc., its Member

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

By: \_\_\_\_\_  
John W. Stoneman, President

Attest: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

**LEVERENZ PARKING LOT LEASE PAYMENTS DUE AS OF 1/31/25**

Date	CPI	CPI	Amount	Years	Interest	Total Rent	Date	Amount	Years	Interest	Total Rent	
Due	Half 2	%	Due	per annum	18.0%	and Interest	Due	Due	per annum	18.0%	and Interest	
1/31/1993	138,800		500.00	32	2,880.00	3,380.00	6/30/1993	500.00	31.5	2,835.00	3,335.00	
1/31/1994	142,400	2.6%	512.97	31	2,862.36	3,375.33	6/30/1994	512.97	30.5	2,816.20	3,329.16	
1/31/1995	146,500	2.9%	527.74	30	2,849.78	3,377.52	6/30/1995	527.74	29.5	2,802.29	3,330.03	
1/31/1996	150,200	2.5%	541.07	29	2,824.37	3,365.43	6/30/1996	541.07	28.5	2,775.67	3,316.74	
1/31/1997	154,500	2.9%	556.56	28	2,805.04	3,361.60	6/30/1997	556.56	27.5	2,754.95	3,311.51	
1/31/1998	157,800	2.1%	568.44	27	2,762.64	3,331.08	6/30/1998	568.44	26.5	2,711.48	3,279.92	
1/31/1999	160,000	1.4%	576.37	26	2,697.41	3,273.78	6/30/1999	576.37	25.5	2,645.53	3,221.90	
1/31/2000	163,800	2.4%	590.06	25	2,655.26	3,245.32	6/30/2000	590.06	24.5	2,602.15	3,192.21	
1/31/2001	169,300	3.4%	609.87	24	2,634.64	3,244.51	6/30/2001	609.87	23.5	2,579.75	3,189.62	
1/31/2002	173,800	2.7%	626.08	23	2,591.97	3,218.05	6/30/2002	626.08	22.5	2,535.63	3,161.71	
1/31/2003	176,600	1.6%	636.17	22	2,519.22	3,155.39	6/30/2003	636.17	21.5	2,461.97	3,098.13	
1/31/2004	180,300	2.1%	649.50	21	2,455.09	3,104.59	6/30/2004	649.50	20.5	2,396.64	3,046.13	
1/31/2005	185,000	2.6%	666.43	20	2,399.14	3,065.56	6/30/2005	666.43	19.5	2,339.16	3,005.58	
1/31/2006	192,100	3.8%	692.00	19	2,366.65	3,058.65	6/30/2006	692.00	18.5	2,304.37	2,996.37	
1/31/2007	199,600	3.9%	719.02	18	2,329.63	3,048.65	6/30/2007	719.02	17.5	2,264.91	2,983.93	
1/31/2008	203,199	1.8%	731.98	17	2,239.87	2,971.86	6/30/2008	731.98	16.5	2,174.00	2,905.98	
1/31/2009	215,247	5.9%	775.39	16	2,233.11	3,008.50	6/30/2009	775.39	15.5	2,163.33	2,938.71	
1/31/2010	211,156	-1.9%	760.65	15	2,053.75	2,814.40	6/30/2010	760.65	14.5	1,985.29	2,745.94	
1/31/2011	214,205	1.4%	771.63	14	1,944.51	2,716.14	6/30/2011	771.63	13.5	1,875.07	2,646.70	
1/31/2012	223,326	4.3%	804.49	13	1,882.50	2,686.99	6/30/2012	804.49	12.5	1,810.10	2,614.59	
1/31/2013	227,056	1.7%	817.93	12	1,766.72	2,584.64	6/30/2013	817.93	11.5	1,693.10	2,511.03	
1/31/2014	230,359	1.5%	829.82	11	1,643.05	2,472.87	6/30/2014	829.82	10.5	1,568.37	2,398.19	
1/31/2015	234,030	1.6%	843.05	10	1,517.49	2,360.53	6/30/2015	843.05	9.5	1,441.61	2,284.66	
1/31/2016	233,366	-0.3%	840.66	9	1,361.86	2,202.52	6/30/2016	840.66	8.5	1,286.20	2,126.86	
1/31/2017	234,904	0.7%	846.20	8	1,218.52	2,064.72	6/30/2017	846.20	7.5	1,142.36	1,988.56	
1/31/2018	239,448	1.9%	862.56	7	1,086.83	1,949.40	6/30/2018	862.56	6.5	1,009.20	1,871.77	
1/31/2019	246,336	2.9%	887.38	6	958.37	1,845.75	6/30/2019	887.38	5.5	878.50	1,765.88	
1/31/2020	250,142	1.5%	900.98	5	810.88	1,711.86	6/30/2020	900.98	4.5	729.79	1,630.77	
1/31/2021	253,597	1.4%	913.53	4	657.74	1,571.28	6/30/2021	913.53	3.5	575.53	1,489.06	
1/31/2022	268,387	5.8%	966.81	3	522.08	1,488.89	6/30/2022	966.81	2.5	435.07	1,401.88	
1/31/2023	291,629	8.7%	1,050.54	2	378.19	1,428.73	6/30/2023	1,050.54	1.5	283.64	1,334.18	
1/31/2024	301,551	3.4%	1,086.28	1	195.53	1,281.81	6/30/2024	1,086.28	0.5	97.77	1,184.04	
1/31/2025	308,640	2.4%	1,111.82	0	-	1,111.82	6/30/2025	1,086.28				
			24,773.95		62,104.21	86,878.16		23,662.13		59,974.62	83,636.76	
			<b>Total Due</b>			<b>170,514.92</b>				<b>Total Due</b>		

LEVERENZ SITEPARKING LOT LEASE

Lease made as of the 1st day of April, 1992, by and between City of Sheboygan, herein referred to as "Landlord", and Heartland Affordable Housing - Sheboygan Leverenz, Inc., herein referred to as "Tenant".

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE  
DESCRIPTION OF PREMISES

Landlord leases to Tenant the premises located in the City of Sheboygan, County of Sheboygan, State of Wisconsin, and described more particularly as follows:

See Schedule "A" Attached

SECTION TWO  
TERM

The term of this lease is forty (40) years, beginning on September 1, 1992 and terminating on September 1, 2132.

SECTION THREE  
RENT

The rent for the first year of occupancy under this lease is One Thousand Dollars (\$1,000.00). Tenant shall pay Landlord that amount in installments of Five Hundred Dollars (\$500.00) on January 31st and June 30th beginning on the next date following occupancy. Any amounts due as rent in default shall bear interest at the rate of eighteen (18%) percent per annum. All payments of rent shall be made at Landlord's place of business.

The rental specified in this lease agreement shall be subject to increase annually in accordance with the change in the Consumer Price Index. The Consumer Price Index shall mean the average for "all items" shown on the "United States city average for urban wage earners and clerical workers, all items, groups, sub-groups, and special groups of items as promulgated by the Bureau of Labor Statistics of the United States Department of Labor", using the year 1982-4 as a base of 100. The index for the month most recently published prior to occupancy shall be compared to the same month for the following year to determine the rate adjustment.

SECTION FOUR  
USE OF PREMISES

The premises are to be used for the purposes of parking only. Tenant shall restrict its use to such purposes, and shall not use



or permit the use of the premises for any other purpose without the written consent of Landlord. The rent is based upon the limited use. The premises are to be solely used for parking and purposes related to parking by the residential and commercial tenants of the Leverenz development owned by Tenant, and located on property adjoining the premises.

**SECTION FIVE**  
**WASTE, NUISANCE, OR UNLAWFUL ACTIVITY**

Tenant shall not allow any waste or nuisance on the premises, or use or allow the premises to be used for any unlawful purpose.

**SECTION SIX**  
**TENANT'S COSTS**

The lease shall be a net, net, net lease. All costs without limitation incurred relating to the premises during the term of the lease shall be paid by lessee and lessor shall be indemnified from any claims relating to the site.

**SECTION SEVEN**  
**REPAIRS AND MAINTENANCE**

Tenant shall maintain the premises as a paved parking lot and keep it in good repair at its expense. Upon breach, Landlord shall have the right to perform any act required to be performed by Tenant. The cost thereof shall be assessed against the premises after notice and a reasonable time to cure.

**SECTION EIGHT**  
**DELIVERY, ACCEPTANCE, AND SURRENDER OF PREMISES**

Tenant has inspected the premises and accepts the same as is. Landlord has made no representations or warranties regarding zoning, permits, or licenses or right to occupy except as specifically stated herein. Tenant shall surrender the premises at the end of the lease term, or any renewal thereof in the same condition as when Tenant took possession. Tenant shall be liable for all costs incurred as a result of failure to the Tenant to leave at termination or expiration of lease.

**SECTION NINE**  
**SIGNS INSTALLED BY TENANT**

Tenant shall not construct or place signs, or other structures without the written consent of Landlord. If Tenant fails to remove signs, displays, advertisements, or decorations within ten (10) days after receiving written notice from Landlord to remove them, Landlord reserves the right to enter the premises and remove them at the expense of Tenant or such other remedies including declaration of default as are determined by the Landlord.



**SECTION TEN**  
**NON-LIABILITY OF LANDLORD FOR DAMAGES**

Landlord shall not be liable for liability or damage claims for injury to person or property from any cause relating to the occupancy of the premises by Tenant, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the leased premises during the term of this lease or any extension thereof. Tenant shall indemnify Landlord from all liability, loss, or other damage claims or obligations resulting from any injuries or losses and provide proof of adequate insurance relating to Landlord's possible expense including additional insured provisions.

**SECTION ELEVEN**  
**ASSIGNMENT, SUBLEASE, OR LICENSE**

Tenant may assign the premises, with any assignment or conveyance of the "Leverenz Project" during the term of the lease. Tenant may sublet the premises for parking purposes.

**SECTION TWELVE**  
**NOTICES AND DEMANDS**

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

a) In the case of the Tenant, is addressed to or delivered personally to the Tenant at 222 West Washington Avenue, Madison, Wisconsin 53703; and

b) In the case of the Landlord, is addressed to or delivered personally to the Landlord at 828 Center Avenue, Sheboygan, Wisconsin 53081

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

**SECTION THIRTEEN**  
**BREACH**

The appointment of a receiver to take possession of the assets of Tenant, a general assignment for the benefit of the creditors of Tenant, any action taken or allowed to be taken by Tenant under any bankruptcy act, the vacation or abandonment of the premises, or the failure of Tenant to comply with each and every term and condition of this lease shall constitute a breach of this lease.

In the event that Landlord elects to attempt to obtain Tenant's cure of the condition or conditions, Tenant shall have sixty (60) days after receipt of written notice from Landlord of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the sixty (60) day period, Tenant shall have a reasonable time to correct the default if action is commenced by Tenant within ten (10) days after receipt of the notice, except that with regard to payment of rent, Tenant shall have thirty (30) days to cure the default.

Breach of that certain Business Development Loan Agreement between The Alexander Company, Inc., and the Redevelopment Authority of Sheboygan, Wisconsin, dated December 26, 1991, and assigned to Tenant on December 26, 1991, and that certain Amendment No. 1 to Business Development Loan Agreement, by and between Landlord and Tenant, dated March 31, 1992, shall be deemed a breach of this Lease, and shall entitle Landlord to take any and all action allowed by this Lease or by applicable law.

**SECTION FOURTEEN**  
**ATTORNEY'S FEES**

If Landlord files an action to enforce agreement contained in this lease, or for breach of any covenant or condition, Tenant shall pay Landlord reasonable attorney's fees for the services of Landlord's attorney in the action.

Dated as of the date and year first above written.

**\*LANDLORD\***

**CITY OF SHEBOYGAN**

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

**\*TENANT\***

**HEARTLAND AFFORDABLE HOUSING -  
SHEBOYGAN LEVERENZ, INC.**

By: *Thomas A. Landgraf* **AA**  
Thomas A. Landgraf, President

Attest: *Susan J. Hobart*  
Susan J. Hobart, Secretary





# Lawyers Title Insurance Corporation

NATIONAL HEADQUARTERS  
RICHMOND, VIRGINIA

SCHEDULE A  
LEGAL DESCRIPTION

CASE NO. 25648

### PARCEL 3: (Leasehold Estate)

That part of Lots Nine (9), Ten (10), Eleven (11) and Twelve (12) of Block 177 of the Original Plat of the City of Sheboygan, in the City of Sheboygan, Sheboygan County, Wisconsin, being more particularly described as follows:

Commencing at a found chiseled "X" at the Southwest corner of said Block 177; thence along the South line of said Block 177, North 89° 57' 14" East, 141.32 feet to a found 3/4 inch iron pipe being the point of beginning; thence North 0° 12' 29" West, 90.60 feet to a found 3/4 inch iron pipe lying on the outside face of an existing building; thence along said outside building face the following courses:

1. North 89° 50' 36" East, 0.50 feet;
2. North 53° 28' 56" East, 80.77 feet;
3. North 15° 57' 56" West, 4.87 feet;

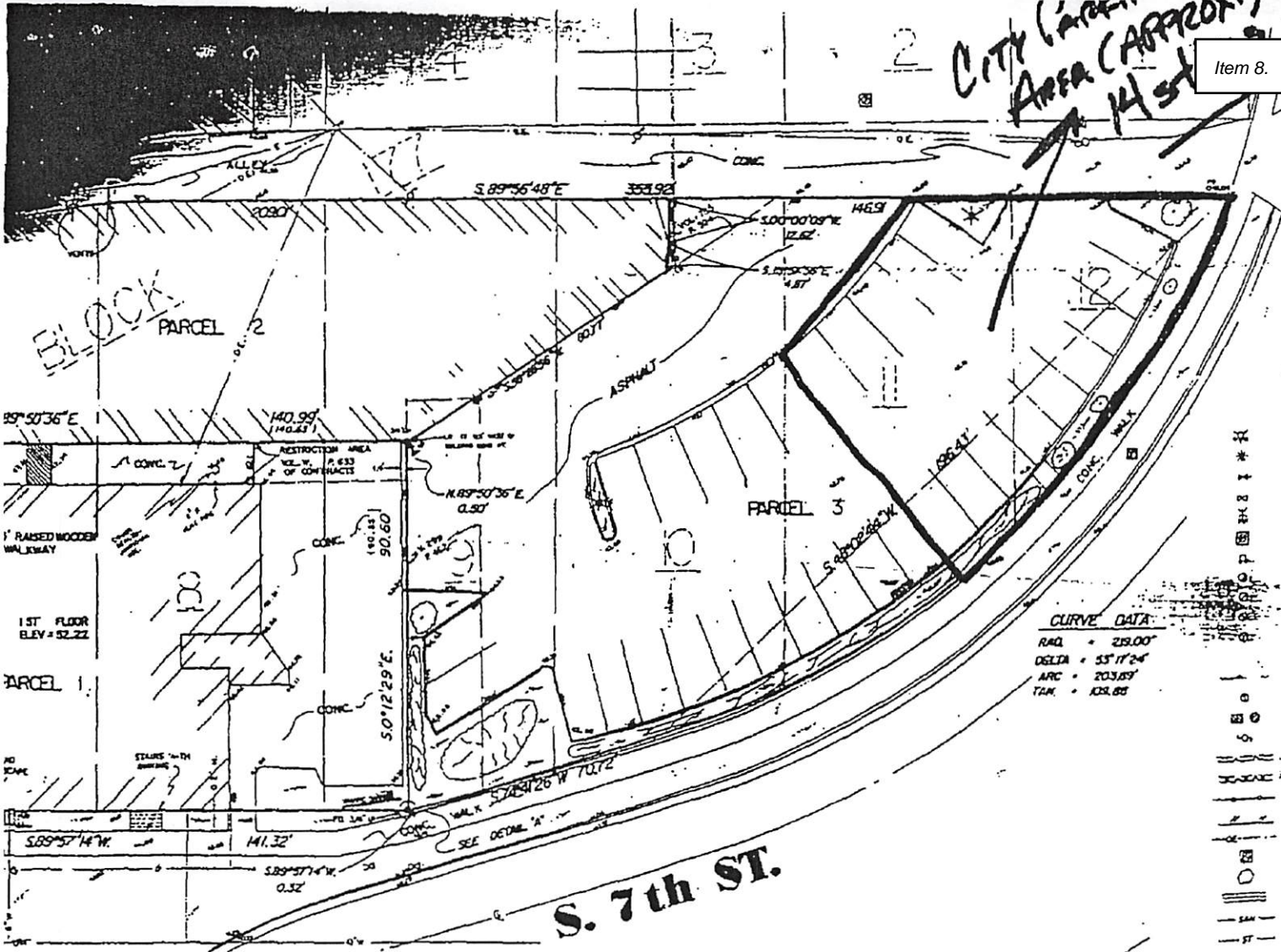
thence leaving said building face, North 0° 00' 09" East, 12.62 feet to a point on the North line of said Lot 10; thence along the North line of said Lots 10, 11 and 12, South 89° 56' 48" East, 146.91 feet to a found chiseled "X" lying on the Northwesterly right-of-way line of the South 7th Street couplet as laid out and constructed in 1976 by the State of Wisconsin Department of Transportation - Division of Highways as Project No. 4956-0-13, said chiseled "X" being a point on a curve concave Northwesterly having a radius of 219.00 feet; thence Southwesterly along said right-of-way line, 203.69 feet along the arc of said curve, the long chord of which bears South 48° 02' 44" West, 196.43 feet to the point of tangency thereof; thence continuing along said right-of-way line, South 74° 41' 26" West, 70.72 feet to a point on said South block line; thence along said South block line, South 89° 57' 14" West to the point of beginning, except that property described as follows:

Beginning at the intersection of the South line of the East-West Alley of Original Plat Block 177 and the Northwesterly line of the 8th St.-7th St. Swing, thence N 89 Degrees, 56 Feet, 48 Inches West 84 Feet along the said South line, thence S 41 Degrees West 51 Feet, thence S 41 Degrees East 74 Feet to said Northwesterly line, thence Northeasterly along said Northwesterly line to the point of beginning.

The parcel so excepted is generally depicted in the Site Plan attached hereto as Exhibit "B" and incorporated herein by reference.

CITY (AREA)  
 AREA (APPROX)  
 14 ST

Item 8.



CURVE DATA

RAD.	= 215.00'
DELTA	= 53° 17' 24"
ARC	= 203.85'
TAN	= 108.85'



**S. 7th ST.**