



FINANCE AND PERSONNEL COMMITTEE MEETING AGENDA

October 26, 2026 at 5:00 PM

Council Chambers, 828 Center Avenue, Sheboygan, WI

Notice that the Finance and Personnel Committee will meet at 5:00 p.m. or immediately following the Public Works Committee meeting.

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

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 by 12:00 p.m. on meeting day to be called upon during the meeting. All Committee members may attend the meeting remotely.

OPENING OF MEETING

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Approval of Minutes**
Finance and Personnel Committee Meeting held on October 12, 2026
5. **Public Comment**
Limit of three minutes per person with comments limited to items on this agenda.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

6. Report No. 38-26-27 by City Attorney's Office submitting the City Attorney's Office Monthly Report for Quarter 3 of 2026.
7. Report 39-26-27 by City Attorney's Office submitting the quarterly claims report.
8. Res. No. 134-26-27 by Alderpersons Mitchell and Close adopting certain changes to the City's Medical Benefit Plan and Dental Benefit Plan effective for calendar year 2027 coverage and establishing the monthly premium equivalent rates effective for January 2027 coverage and thereafter.

- [9.](#) Res. No. 136-26-27 by Alderpersons Mitchell and Close authorizing executing a one-year lease with David J. Schleicher for agricultural property in the City of Sheboygan.
- [10.](#) Res. No. 137-26-27 by Alderpersons Mitchell and Close authorizing the execution by the City of: (1) the Assignment and Assumption of Development Agreement, and (2) Consent to Assignment and Certification as to Status of TIF Development Agreement regarding Oscar Apartments LLC.

TENTATIVE DATE OF NEXT REGULAR MEETING

11. Tentative Next Meeting Date - November 9, 2026

ADJOURN MEETING

12. 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
REPORT 38-26-27**

BY CITY ATTORNEY'S OFFICE.

OCTOBER 26, 2026.

Submitting the City Attorney's Office Monthly Report for Quarter 3 of 2026.

City Attorney’s Office

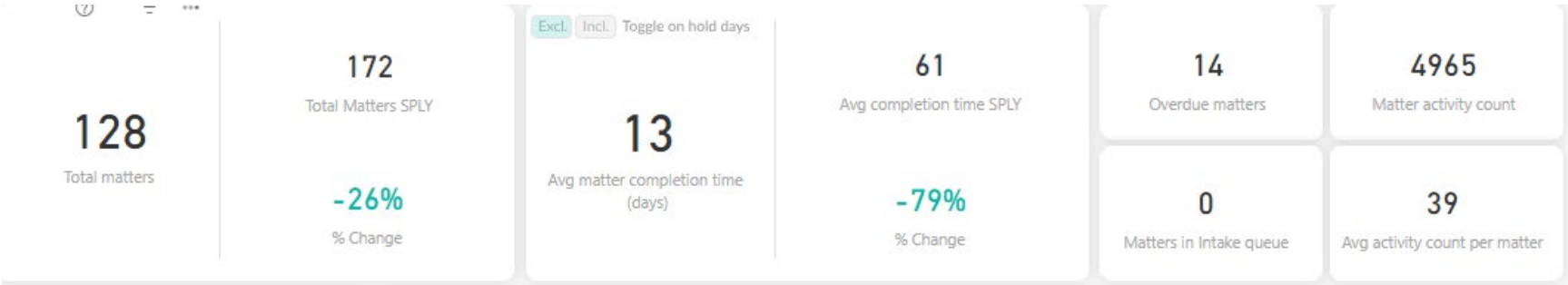
Quarter 3, 2026

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

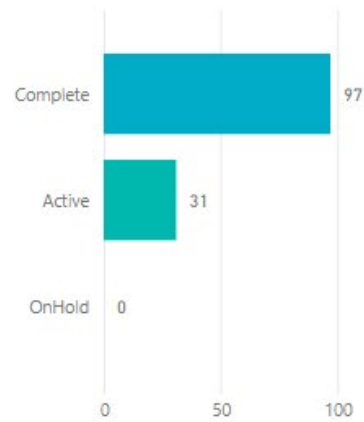
Scope: Much of the CAO’s work is managed via LawVu, our document and project management software. While some matters are not documented with LawVu, we are encouraging all staff to use LawVu as the primary means to request legal services to better accurately report to Council. CAO welcomes suggestions for future reporting metrics or modifications.

Municipal Prosecution Activity: 148 pretrial conferences were conducted in Q3 with 111 resolving by stipulation. 6 trials were scheduled of which 4 resulted in conviction, 1 closed by default, and 1 resolved by stipulation before trial. 10 municipal prosecution matters are pending in circuit court.

Litigation Activity: 3 excessive assessment matters are pending in circuit court. 6 miscellaneous matters are pending in circuit court. 2 matters are pending in the US Eastern District of Wisconsin. 2 matters are pending before the Wisconsin EEOC/LIRC. 1 matter is pending before the Wisconsin Court of Appeals.

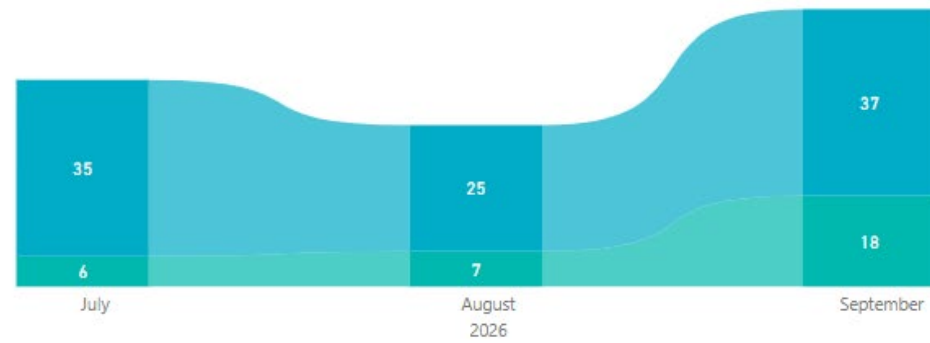


Matters by status

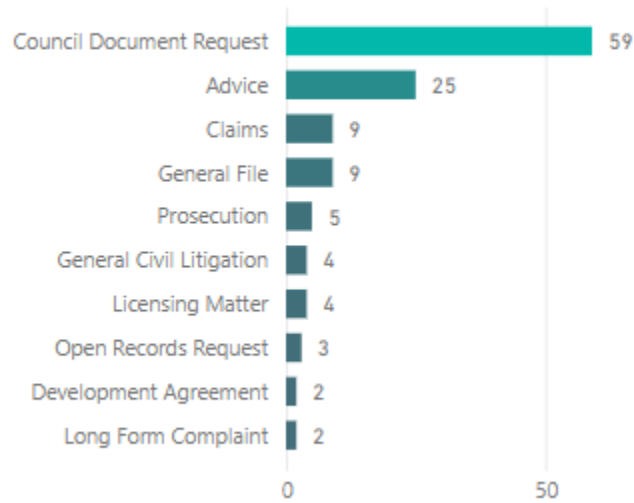


Matters by status over time

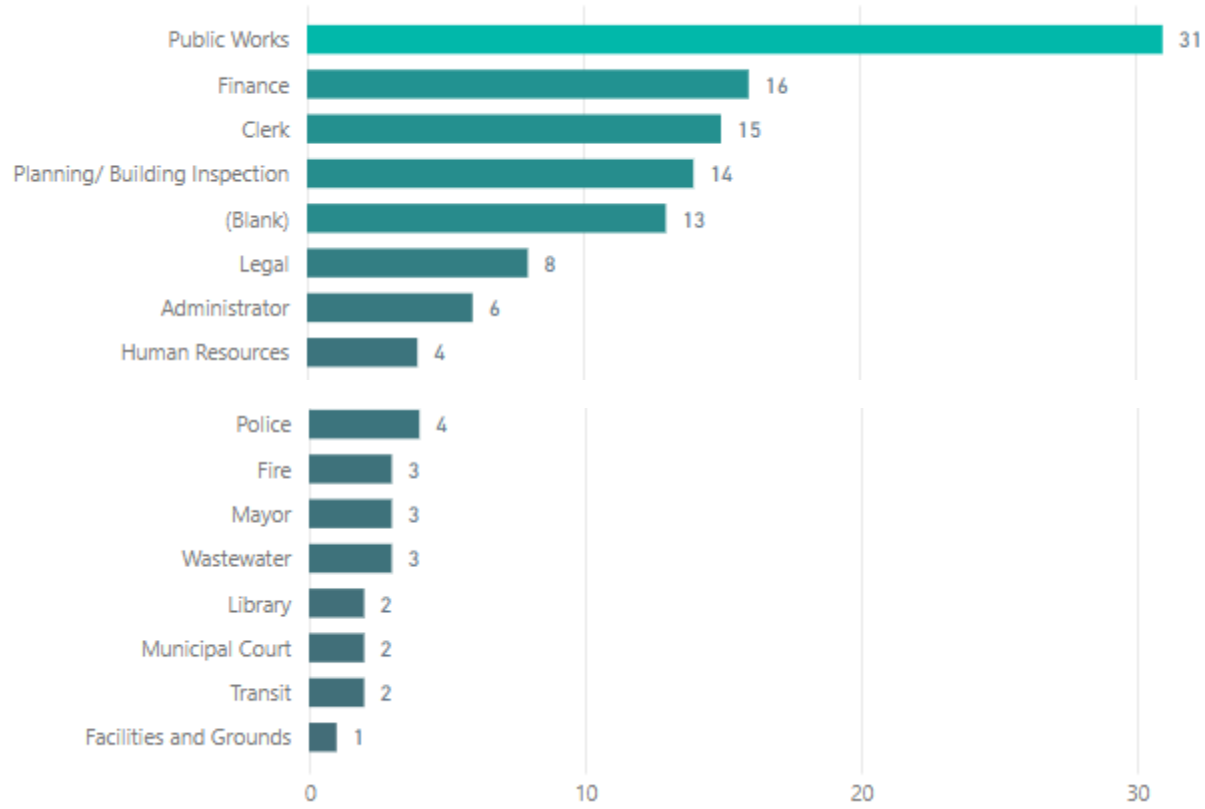
Status ● Active ● Complete ● OnHold



Matters by type



Total Matters by Department



**CITY OF SHEBOYGAN
REPORT 39-26-27**

BY CITY ATTORNEY'S OFFICE.

OCTOBER 26, 2026.

Since July 1, 2026, the City has received eleven (11) new claim forms. The City has resolved eleven (11) existing claims. Ten (10) claims remain pending.

Claim	Claimant	Date of Incident	Date Filed	Status
18-23	Douglas Diedrichs	9/21/2023	1/16/2024	Resolved
23-23	Irma Reyes and Jorge Martinez	2/11/2024	3/14/2024	Pending
5-24	Phillip Link	3/13/2024	7/8/2024	Pending
12-24	Tommie Dixon	9/8/2024	9/26/2024	Pending
3-25	Dorothy Marsho	4/19/2024	6/16/2025	Pending
16-25	Jeremy Udovich – South Beach Condo Association	4/14/2026	4/16/2026	Resolved
4-26	Joseph Brown	6/4/2026	6/23/2026	Resolved
5-26	Koven Letter	3/9/2026	6/26/2026	Pending
6-26	Aubrey Shields	3/9/2026	6/26/2026	Resolved
7-26	Andrew Keil	4/29/2026	6/26/2026	Resolved
8-26	Oliver Siebels	6/21/2026	7/7/2026	Resolved
9-26	Trey Castillo	4/20/2026	7/13/2026	Resolved
10-26	Wisconsin Public Service	4/4/2026	7/21/2026	Resolved
11-26	Joyce E. Esser	6/26/2026	7/21/2026	Resolved
12-26	Vicki Wambach-Dunnigan	5/29/2026	7/21/2026	Resolved
13-26	Serena Widucki	6/17/2026	7/21/2026	Resolved
14-26	Mark and Sandra Hickmann	6/27/2026	7/29/2026	Pending
15-26	Andrew and Karen Bowman	7/6/2026	9/1/2026	Pending
16-26	Chad Spielvogel	9/17/2026	9/28/2026	Pending
17-26	Paul T. Gabrielse	8/4/2026	10/5/2026	Pending
18-26	Jamie Wehner	10/1/2026	10/7/2026	Pending

**Claim #18-23**

Date Filed: January 16, 2024

Claimant Name: Alpert & Fellows LLC for client Douglas Diedrichs

Summary of Claim: Claimant lost control of a motorcycle due to spilled diesel fuel from a Shoreline Metro bus with a missing gas cap.

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: January 16, 2024

Decision on Claim: Claim was completed by Transit Mutual Insurance.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #23-23**

Date Filed: March 14, 2024

Claimant Name: Andriusis Law Firm LLC for clients Irma Reyes and Jorge Martinez

Summary of Claim: Claimants were riding in an ambulance when the ambulance was involved in an accident.

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: March 15, 2024

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #5-24**

Date Filed: July 9, 2024

Claimant Name: Alpert & Fellows LLC for client Phillip Link

Summary of Claim: Claimant was on a bicycle and hit a snow plow indicator.

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: July 17, 2024

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #12-24**

Date Filed: September 26, 2024

Claimant Name: C. Norris Law Group for client Tommie Dixon

Summary of Claim: Personal injuries and civil rights violations suffered during an officer involved incident.

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: October 8, 2024

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #3-25**

Date Filed: June 16, 2025

Claimant Name: Habush, Habush, & Rottier S.C. for client Dorothy Marsho

Summary of Claim: Claimant states wheelchair was not properly secure in Metro Connection van.

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: June 17, 2025

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #16-25**

Date Filed: April 16, 2026

Claimant Name: South Beach Condo Association- Jeremy Udovich
President

Summary of Claim: Claimant alleges basement damages due to sewer back-up.

Requested Claim Amount: \$6,024.26

Notice of Claim Submitted: No

Date Reviewed: June 26, 2026

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care and is immune from liability under Wis. Stat. 893.80(4) – discretionary immunity

Amount paid, if applicable: N/A

**Claim #4-26**

Date Filed: June 23, 2026

Claimant Name: Joseph Brown

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

Requested Claim Amount: \$750,000.00

Notice of Claim Submitted: No

Date Reviewed: August 17, 2026

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care.

Amount paid, if applicable: N/A

**Claim #5-26**

Date Filed: June 26, 2026

Claimant Name: Koven Letter

Summary of Claim: Claimant's alleges violations of constitutional rights during traffic stop.

Requested Claim Amount: \$44,000.00

Notice of Claim Submitted: No

Date Reviewed: Pending further information.

Decision on Claim: N/A

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #6-26**

Date Filed: June 26, 2026

Claimant Name: Aubrey Shields

Summary of Claim: Claimant's alleges violations of constitutional rights during traffic stop.

Requested Claim Amount: \$24,500.00

Notice of Claim Submitted: No

Date Reviewed: September 23, 2026.

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care.

Amount paid, if applicable: N/A

**Claim #7-26**

Date Filed: June 26, 2026

Claimant Name: Andrew Keil

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

Requested Claim Amount: \$11,723.68

Notice of Claim Submitted: No

Date Reviewed: August 17, 2026

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care.

Amount paid, if applicable: N/A

**Claim #8-26****Date Filed:**

July 7, 2026

Claimant Name:

Oliver Siebels

Summary of Claim:

Claimant's alleges personal injuries at playground at Field of Dreams.

Requested Claim Amount:

N/A

Notice of Claim Submitted:

Yes

Date Reviewed:

August 17, 2026

Decision on Claim:

Denied

Basis for Denial/Approval:

The City is meeting its standard of care and was not aware of any unsafe condition at the property when the alleged injury occurred. The City is immune from liability under Wis. Stat. 895.52(2).

Amount paid, if applicable:

N/A

**Claim #9-26**

Date Filed: July 13, 2026

Claimant Name: Trey Castillo

Summary of Claim: Claimant's alleges personal injuries during volunteer shoreline cleanup.

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: August 17, 2026

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care and was not aware of any unsafe condition at the property when the alleged injury occurred. The City is immune from liability under Wis. Stat. 895.52(2).

Amount paid, if applicable: N/A

**Claim #10-26**

Date Filed: July 21, 2026

Claimant Name: Wisconsin Public Service

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

Requested Claim Amount: \$3,695.00

Notice of Claim Submitted: No

Date Reviewed: August 17, 2026

Decision on Claim: Accept

Basis for Denial/Approval: N/A

Amount paid, if applicable: \$3,695.00

**Claim #11-26**

Date Filed: July 21, 2026

Claimant Name: Joyce E. Esser

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

Requested Claim Amount: N/A

Notice of Claim Submitted: Yes

Date Reviewed: August 17, 2026

Decision on Claim: Denied

Basis for Denial/Approval: Generally, municipalities do not have a duty to protect citizens against hazards the municipality has no knowledge of. The City is immune from liability under Wis. Stat. 893.80(4) – discretionary immunity.

Amount paid, if applicable: N/A

**Claim #12-26**

Date Filed: July 21, 2026

Claimant Name: Vicki Wambach-Dunnigan

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

Requested Claim Amount: \$186.99

Notice of Claim Submitted: No

Date Reviewed: August 17, 2026

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care and had no prior knowledge of the sidewalk condition at the time of the incident. The City is immune from liability under Wis. Stat. 893.80(4) – discretionary immunity.

Amount paid, if applicable: N/A

**Claim #13-26**

Date Filed: July 21, 2026

Claimant Name: Serena Widucki

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

Requested Claim Amount: \$2,000.00

Notice of Claim Submitted: No

Date Reviewed: August 17, 2026

Decision on Claim: Denied

Basis for Denial/Approval: The City is meeting its standard of care and had no prior knowledge that debris had flown out of a city garbage truck. The City is immune from liability under Wis. Stat. 893.80(4) – discretionary immunity.

Amount paid, if applicable: N/A

**Claim #14-26**

Date Filed: July 29, 2026

Claimant Name: Mark and Sandra Hickmann

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

Requested Claim Amount: \$49,227.18

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #15-26**

Date Filed: September 1, 2026

Claimant Name: Andrew and Karen Bowman

Summary of Claim: Claimant alleges damage to string lights and newly planted tree in backyard.

Requested Claim Amount: \$471.13

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #16 -26**

Date Filed: September 17, 2026

Claimant Name: Chad Spielvogel

Summary of Claim: Claimant alleges damage trailer and locks.

Requested Claim Amount: \$2,015.27

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #17 -26**

Date Filed: October 5, 2026

Claimant Name: Paul T. Gabrielse

Summary of Claim: Claimant alleges crash and fall.

Requested Claim Amount: \$0.00

Notice of Claim Submitted: Yes

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**Claim #18 -26**

Date Filed: October 7, 2026

Claimant Name: Jamie Wehner

Summary of Claim: Claimant alleges tree fell and cracked windshield.

Requested Claim Amount: \$884.72

Notice of Claim Submitted: No

Date Reviewed: N/A

Decision on Claim: Pending further information.

Basis for Denial/Approval: N/A

Amount paid, if applicable: N/A

**CITY OF SHEBOYGAN
RESOLUTION 134-26-27**

BY ALDERPERSONS MITCHELL AND CLOSE.

OCTOBER 26, 2026.

A RESOLUTION adopting certain changes to the City's Medical Benefit Plan and Dental Benefit Plan effective for calendar year 2027 coverage and establishing the monthly premium equivalent rates effective for January 2027 coverage and thereafter.

RESOLVED: That the following changes to the City of Sheboygan's Medical Benefit Plan and Dental Benefit Plan effective for calendar year 2027 are hereby adopted:

1) 2027 Health Insurance Monthly Premium Rates

a) The monthly premium for health insurance in 2027 shall be as follows:

<u>Coverage</u>	
Single	\$1,108.26
Employee with spouse	\$2,108.44
Employee with children	\$1,911.24
Family	\$2,913.50

b) The monthly employee premium equivalent rates for full-time employees who participate in the annual physical exam in the shall be:

<u>Coverage</u>	
Single	\$ 96.98
Employee with spouse	\$ 184.50
Employee with children	\$ 167.24
Family	\$ 254.94

c) The monthly employee premium equivalent rates for full-time employees who do not participate in the annual physical exam in the shall be:

<u>Coverage</u>	
Single	\$ 166.24
Employee with spouse	\$ 316.27
Employee with children	\$ 286.69
Family	\$ 437.03

* Nothing in this Resolution shall be interpreted as contradicting any approved collective bargaining agreement. Part-time employees will generally pay 50% of the total monthly premium. However, for example, the City's collective bargaining agreement with Amalgamated Transit Union Local 998 provides that certain part-time employees will pay a lower amount of the total monthly premium.

- d) The monthly employee premium equivalent rates for part-time, eligible employees shall be:

<u>Coverage</u>	
Single	\$ 554.13
Employee with spouse	\$1,054.22
Employee with children	\$ 955.62
Family	\$1,456.75

- e) New employees, those not previously eligible for health insurance, and those not previously participating in the City of Sheboygan Health Insurance Plan will receive the rates listed in subsection (a) above for the 2027 plan year (and the associated rates for the 2028 plan year) in order to allow the employee the necessary time to participate in the Wellness Plan Year, which runs from November 1 to October 31.
- 2) In 2027, the City will partially fund a Health Savings Account (HSA) for employees and/or family members (eligibility follows IRS guidelines) on the City's Health Insurance Plan as of January 1, 2027. Except in the case of a collective bargaining agreement that states otherwise, the maximum City funding amounts will total \$750 for those with single coverage and \$1,500 for those with employee plus spouse, employee plus child(ren), and full family coverage. Additionally:
- a) Employees who are on the Plan on January 1, 2027, shall have their HSA funded in January 2027.
- b) No contributions will be made for those new to the plan after January 1, 2027.
- c) HSA contributions are issued to an employee and/or family member based on eligibility of the employee on January 1. Mid-year changes for an active plan participant after January 1 are not eligible for HSA contributions. In addition, COBRA-only participants are not eligible for the City contribution to the HSA.
- d) Employees are responsible for notifying the Human Resources Department if the employee is or will be an active participant of a secondary government-issued health insurance, such as Medicare or Tricare, as of January 1 of the Plan year. Following IRS guidelines, neither the City nor the employee may contribute to a HSA account if the employee is also participating in the government plan.

- e) Employees who elect the family plan, employee plus child(ren) plan, and employee plus spouse plan remain eligible for the applicable HSA contribution, even if their dependent is on a government issued plan so long as their spouse is not listed on the employee's HSA account. Once an employee is not eligible for the HSA contribution, no HSA contribution will be provided to spouse and/or dependents on the plan.
- 3) The City will not charge employees a spousal surcharge.
- 4) Eligible full-time employees (for plan year 2027 "full-time employees" are employees who work 30 or more hours per week) who waive or drop coverage will be eligible for an opt-out incentive, with a maximum yearly benefit of \$1,200. This amount would be paid at a rate of \$50 bi-monthly to the employee through payroll for any month the full-time eligible employee is not on the Medical Benefit Plan.
- 5) In all cases, employees are eligible for either the opt-out incentive or the HSA contribution as of the employee's January 1 election; not both.
- 6) All qualified employees will have a Dental Benefit Plan available. Effective for January 2027 coverage and thereafter the monthly premium equivalent rates for the City of Sheboygan Dental Plan for active employees are hereby adopted:
 - a) The monthly premium for dental insurance in 2027 shall be as follows:

<u>Coverage</u>	
Single	\$ 57.20
Employee with spouse	\$115.42
Employee with children	\$129.00
Family	\$189.52

- b) The monthly employee premium equivalent rates for full-time employees shall be:

<u>Coverage</u>	
Single	\$ 8.58
Employee with spouse	\$ 17.32
Employee with children	\$ 19.34
Family	\$ 28.43

- c) The monthly employee premium equivalent rates for part-time, eligible employees shall be:

<u>Coverage</u>	
Single	\$ 28.60
Employee with spouse	\$ 57.71
Employee with children	\$ 64.50
Family	\$ 94.76

- 7) Effective for January 2027 coverage and thereafter the monthly premium equivalent rates for the Medical Benefit Plan that will be charged to retirees not on Medicare shall be:

<u>Coverage</u>	
Single	\$1,108.26
Employee with spouse	\$2,108.44
Employee with children	\$1,911.24
Family	\$2,913.50

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 136-26-27**

BY ALDERPERSONS MITCHELL AND CLOSE.

OCTOBER 26, 2026.

A RESOLUTION authorizing executing a one-year lease with David J. Schleicher for agricultural property in the City of Sheboygan.

WHEREAS, the City owns approximately 43 acres of land described as 6400 Moenning Road, Town of Wilson, located between South Business Drive and Moenning Road; and

WHEREAS, David J. Schleicher farmed this property under its prior ownership via agricultural land lease and wishes to continue doing so in 2027; and

WHEREAS, such farming operations are not expected to interfere with the City's intended use of the property in 2027; and

WHEREAS, the parties desire to allow David J. Schleicher to continue planting, farming, growing and harvesting crops as described in said lease.

NOW, THEREFORE, BE IT RESOLVED: That the Mayor and City Clerk are hereby authorized to execute the attached lease with David J. Schleicher for the 2027 agricultural use of approximately 43 acres of land owned by the City of Sheboygan.

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

AGRICULTURAL LEASE

THIS AGRICULTURAL LEASE (the “**Lease**”) is made as of January 1, 2027 (the “**Effective Date**”), by and between the **CITY OF SHEBOYGAN, WISCONSIN** (“**Landlord**”) and **DAVID J. SCHLEICHER**, an individual (“**Tenant**”).

RECITALS

- A. Landlord is the fee owner of the approximately 43.21 acres of real property located in the City of Sheboygan, Wisconsin and shown on Exhibit A attached to this Lease and incorporated herein by reference (the “**Premises**”), subject to covenants, restrictions, reservations, liens, encumbrances, conditions, encroachments, easements and other matters of title that affect the Premises (“**Permitted Encumbrances**”);
- B. Tenant desires to lease the Premises for the sole purpose of planting, farming, growing and harvesting winter wheat, soybeans, tillable radishes, oats, corn and clover crops and on the terms and conditions set forth in this Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant each hereby agrees as follows:

1. GRANT OF LEASE; LEASE TERM; AND TENANT’S ACCEPTANCE OF CONDITION OF PREMISES.

1.1 Grant of Lease. In consideration of rents, terms, covenants and agreements to be performed and observed by Tenant, as hereinafter set forth, Landlord leases to Tenant, and Tenant rents from Landlord the Premises subject to this Lease and the Permitted Encumbrances.

1.2 Term. The term of this Lease shall be for three hundred sixty-five calendar days, unless terminated earlier as expressly provided herein (the “**Term**”). The Term shall commence on the Effective Date (the “**Commencement Date**”) and end on December 31, 2027.

Regardless of the fact that the Term of this Lease is for one calendar year only, Tenant has requested an opportunity to extend the Term of this Lease. Landlord has not agreed to extend the Term beyond December 31, 2027 but Landlord may do so by executing an amendment to the Lease or a new lease that is signed by both Landlord and Tenant. In the event that Tenant desires to extend the Term of this Lease for another calendar year, Tenant shall provide prior written notice of such desire by September 30 of the current Term, and on or before October 15 of the current Term, Landlord may inform Tenant in writing of Landlord’s determination on Tenant’s request for an extension to the Term. For the avoidance of any doubt and notwithstanding any provision herein to the contrary, if Landlord does not provide Landlord’s determination in writing to Tenant on or before October 15, 2027, Landlord is deemed to have rejected the request by Tenant for an extension of the Term.

1.3 “AS IS” Condition. The Tenant has inspected the Premises and accepts the Premises “AS IS,” “WHERE IS” and “WITH ALL FAULTS” in its current condition without any express, implied or any other representations or warranties as to the condition of the Premises by

Landlord. Landlord expressly disclaims any warranties or representations regarding the Premises and any and all conditions or entitlements related to the Premises and, further, makes no warranties or representations regarding the suitability of the Premises for Tenant's use. Tenant warrants and represents that Tenant had adequate time and opportunity to conduct all due diligence Tenant deems necessary on the Premises and that Tenant is relying solely upon Tenant's own judgment in proceeding to enter into this Lease on the Premises.

2. RENT.

2.1 Rent. Tenant shall pay to Landlord the sum of Four Thousand Nine Hundred Sixty-Nine and 15/100 Dollars (\$4,969.15) as rent for use of the Premises during the Term pursuant to the provisions of this Lease (the "**Rent**"). Rent is determined by multiplying the acreage of the Premises (43.21 acres) by One Hundred Fifteen Dollars (\$115.00). Rent shall be paid without demand therefor and without abatement, deduction, or set-off. Rent shall be due and payable in full by Tenant to Landlord on January 8, 2027.

2.2 Tenant's Obligation to Pay Taxes and all Operating Costs. During the Term, Tenant shall pay all operating expenses of whatever nature that relate to the Premises including, but not limited to, Taxes (as defined below), insurance premiums, operating charges, maintenance charges, input costs, fuel costs and any and all other charges, costs and expenses which arise on the Premises or may be contemplated under any provisions of this Lease during the Term.

2.3 Lien Rights. All Rent due and to become due and all other obligations of Tenant to Landlord under this Lease shall as a result of the recording of this Lease (or a memorandum of this Lease), be a first lien on the Premises and all improvements on the Premises, and all other liens shall be subordinate to the lien of this Lease, except as otherwise required by applicable law or permitted by Landlord in writing.

2.4 Place of Payment. All sums payable to Landlord under the terms of this Lease shall be paid to or upon the order of Landlord at the Landlord's address set forth in this Lease or as otherwise designated in writing by Landlord. Landlord may change its address by notice to Tenant of such change pursuant to the terms of this Lease.

2.5 Past Due Rent. If Tenant fails to timely pay Rent or any other charge due under this Lease, such failure to timely pay shall be a Default (as defined below) under this Lease and the unpaid amount shall, at Landlord's option and without waiving any other right of Landlord, bear interest from the due date to the date of payment at a rate of twelve percent (12%) per annum.

3. USE.

3.1 Permitted Use. The Premises shall be used solely for of planting, farming, growing and harvesting winter wheat, soybeans, tillable radishes, oats, corn and clover crops. Neither Tenant nor any successor or assign of Tenant shall use or permit the Premises to be used in any manner other than the manner expressly permitted by this Lease.

3.2 Prohibited Uses. **NEITHER TENANT NOR ANY SUCCESSOR OR ASSIGN OF TENANT SHALL PERMIT THE PREMISES OR ANY IMPROVEMENT ON**

THE PREMISES TO BE SUBJECT TO ANY LIEN, LEASE, CONTRACT OR AGREEMENT OF ANY KIND (WHETHER WRITTEN OR ORAL) WITHOUT THE PRIOR WRITTEN CONSENT OF LANDLORD. NOTWITHSTANDING ANYTHING CONTAINED IN THIS LEASE TO THE CONTRARY, NEITHER TENANT NOR ANY SUCCESSOR OR ASSIGN OF TENANT SHALL USE OR PERMIT THE PREMISES OR ANY IMPROVEMENT THEREON TO BE USED IN ANY MANNER WHICH IS CONTRARY TO ANY APPLICABLE STATUTE, RULE, ORDER, ORDINANCE, REQUIREMENT OR REGULATION, CAUSE INJURY OR DAMAGE TO THE PREMISES, CAUSE THE VALUE OR USEFULNESS OF ALL OR ANY PART OF THE PREMISES TO DIMINISH (OTHER THAN NORMAL WEAR AND TEAR), CONSTITUTE A PUBLIC OR PRIVATE NUISANCE OR WASTE, OR RENDER THE INSURANCE ON THE PREMISES VOID OR THE INSURANCE RISK MORE HAZARDOUS OR CREATE ANY DEFENSE TO PAYMENT. TENANT AND ALL SUCCESSORS AND ASSIGNS OF TENANT EACH AGREES THAT IT WILL PROMPTLY, UPON DISCOVERY OF ANY SUCH PROHIBITED USE, TAKE ALL NECESSARY STEPS TO COMPEL THE DISCONTINUANCE OF SUCH PROHIBITED USE.

3.3 No Adverse Possession. Tenant shall not use, suffer or permit all or any portion of the Premises to be used in such manner as might reasonably tend to impair Landlord's title to all or any portion of the Premises, or in such manner as might reasonably make possible a claim of adverse possession or of implied dedication of all or any portion of the Premises.

4. TAXES.

4.1 Taxes. "Taxes" shall mean real estate taxes, assessments (general or special), sewer rents, rates and charges, transit taxes, taxes based upon leases or the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary which may now or subsequently be levied, assessed or imposed against all or any portion of the Premises, any interest in the Premises, or any improvements thereon. At its sole cost and expense, Tenant shall pay all Taxes. Notwithstanding anything contained in the foregoing definition to the contrary:

- (a) If at any time the method of taxation then prevailing shall be altered so that all or any part of any new or additional tax, assessment, levy, imposition or charge shall be imposed upon Landlord in place or partly in place of any Taxes or contemplated increase in such Taxes, or in addition to Taxes, and shall be measured by or be based in whole or in part upon the Premises, the rents or other income from the Premises or any leases of all or any part of the Premises, then all or any part of such new taxes, assessments, levies, impositions or charges, shall be included in Taxes levied, assessed or imposed against the Premises and are obligations to be paid by Tenant under this Lease. Tenant shall advance to Landlord, prior to the due date of any such Taxes an amount equal to any Taxes Landlord may be required to pay under this Section 4.1(a).

- (b) Notwithstanding the year for which any such taxes or assessments are levied, in the case of special taxes or assessments which may be payable in installments, the amount of each installment, plus any interest, payable during any such year shall be considered Taxes assessed and levied for that year. Except as provided in the preceding sentence, all references to Taxes assessed, levied, confirmed or imposed during a particular year shall be deemed to refer to Taxes levied, assessed or otherwise payable during such year without regard to when such Taxes are imposed.

4.2 Payment. At its sole cost and expense, Tenant shall pay directly, before any fine, penalty, interest or cost is incurred, all Taxes which are assessed, levied, confirmed, imposed or which become a lien upon the Premises with respect to any period of time within the Term.

4.3 Contest. Tenant shall have the right at its own expense to contest the amount or validity, in whole or in part, of any Taxes by appropriate proceedings diligently conducted in good faith provided that, prior to contesting the Taxes, the Tenant either (i) pays the tax in full or (ii) deposits 100% of the amount of the Taxes, an irrevocable letter of credit in that amount or a bond in that amount with the Landlord. In connection with any such contest, Tenant shall reimburse Landlord for all attorneys' fees and other costs incurred by Landlord on demand and shall pay when due the Taxes, if any, as finally determined in such proceedings which Tenant had not previously paid, and all costs, fees, including attorneys' fees, interest, penalties, fines and other liabilities relating thereto.

5. INSURANCE.

5.1 Fire and Casualty. Tenant shall continuously maintain in full force and effect during the Term of this Lease a policy or policies of insurance insuring the Premises and all improvements thereon to their Full Replacement Cost (as hereafter defined) against loss or damage by fire, casualty and extended perils and other perils with replacement cost and agreed amounts endorsements, and such other endorsements as may be reasonably required by the Landlord or, if applicable, Tenant's mortgagee, including, but not limited to, an endorsement to provide coverage against acts of terrorism. For the purposes of this Lease, "**Full Replacement Cost**" shall be interpreted to mean the cost of repairing the Premises and/or replacing (to the extent possible) such improvements impacted by such fire, casualty or other peril to like kind and quality as such improvements were prior to such fire, casualty or other peril and, in addition, a reasonable amount for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the Premises and such improvements as a result of such fire, casualty or other peril.

5.2 Liability. During the Term, Tenant shall continuously maintain in full force and effect the following additional insurance coverages:

- (a) Commercial general liability against any loss, liability or damage on, about or relating to all or any portion of the Premises and all improvements thereon, with limits of not less than \$1,000,000 each occurrence for bodily injury and property damage and \$1,000,000 combined single limit coverage for bodily injury or property damage claims, claims involving contractual

liability, and claims for consequential damages arising out of or in connection with Tenant's operations in and maintenance and use of the Premises and improvements thereon. Such limits may be increased from time to time as reasonably determined by the Landlord to amounts consistent with prevailing industry standards. Tenant shall carry excess umbrella insurance over the commercial general liability policy with limits of not less than \$1,000,000.

- (b) Appropriate insurance on all personal property on the Premises and all improvements thereon.
- (c) Worker's compensation insurance in amounts required by applicable law.

This property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for an architect's, contractor's, engineer's and/or construction manager's services and expenses required as a result of such insured loss.

5.3 Policies. All fire and casualty policies of insurance required by this Lease shall provide that the proceeds shall be payable to Tenant and any mortgagee, as their interests may appear. The Landlord shall be named as an additional insured, on a primary and non-contributory basis, on the liability and property policies. All policies of insurance shall be written by a company or companies reasonably satisfactory to Landlord and licensed in the State of Wisconsin, and with a general policyholder's rating of not less than A and a financial rating of not less than XI in the most current available Best's insurance reports, and on a form acceptable to Landlord. Certificates of insurance reasonably acceptable to Landlord (or a copy of the policy if requested by Landlord) shall be delivered to Landlord endorsed "Premium Paid" by the company or agent issuing the same or accompanied by other evidence satisfactory to Landlord that the premiums have been paid as of the Effective Date; and prior to expiration of such policy, certificates of insurance, plus evidence of premium payment, shall be delivered to Landlord not less than twenty (20) days prior to the expiration of the then current policy term. Each policy shall not be cancelled or coverage decreased without at least thirty (30) days prior written notice to the Landlord given by the Tenant.

5.4 Blanket Policies. Nothing in this Section 5 shall prevent Tenant from taking out insurance of the kind and in the amount provided for under the preceding paragraphs of this Section 5 under a blanket insurance policy or policies which may cover other properties owned or operated by Tenant as well as the Premises; provided, however, that any such policy of blanket insurance of the kind provided for shall (a) specify the amounts exclusively allocated to the Premises and all improvements on the Premises or Tenant shall furnish Landlord and any mortgagee with a written statement from the insurers under such policies specifying the amounts of the total insurance exclusively allocated to the Premises and all improvements thereon, and (b) not contain any clause which would result in the insured being required to carry any insurance with respect to the property covered in an amount not less than any specific percentage of the Full

Replacement Cost of such property in order to prevent the named insured from becoming a co-insurer of any loss with the insurer under such policy; and further provided, however, that such policies of blanket insurance shall, as respects the Premises and all improvements thereon, contain the various provisions required of such an insurance policy by the provisions of this Section 5.

5.5 Tenant's Indemnification. Tenant agrees to indemnify and save Landlord harmless against and from any and all third party claims, damages, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees), arising out of Tenant's use of the Premises or from any breach or default on the part of Tenant in the performance of any covenant or agreement to be performed pursuant to the terms of this Lease, or from any act or negligence of Tenant, its agents, contractors, servants, employees, sublessees, concessionaires or licensees in or about the Premises; but excluding any claims, damages, losses, liabilities or expenses to the extent caused by the willful misconduct of Landlord or Landlord's employees, agents, contractors or invitees. In case any action or proceeding is brought against Landlord by reason of any claim covered by Tenant's indemnity, Tenant, upon notice from Landlord, shall defend such action or proceeding that is brought against Landlord by reason of any such claim. Tenant, upon notice from Landlord, covenants to defend such action or proceeding at no cost or expense to Landlord. Landlord reserves its rights as an additional insured on the insurance policies, if any, to approve counsel selected by the insurance company. If the claim is in excess of the insurance limits, Tenant will engage counsel to defend Landlord on the excess claim who is reasonably acceptable to the Landlord.

6. UTILITIES.

6.1 Utility Service. Tenant shall directly pay, when due, all charges of every nature, kind or description for utilities furnished to the Premises or any improvement thereon or otherwise chargeable against the Premises or such improvements during the Term, including all charges for water, sewage, heat, gas, light, garbage, electricity, telephone, digital subscriber line, or other public or private utility services. Landlord shall not be liable for the provision of any such services or any interruption or discontinuation of any such services nor shall such interruption or discontinuation constitute grounds for constructive eviction.

6.2 Deposits. In the event that any charge, deposit or fee is required to furnish any utility to the Premises as a condition precedent to furnishing or continuing to furnish such utility, such charge, deposit or fee shall be deemed to be a utility charge payable directly by Tenant.

7. REPAIRS.

7.1 Good Order and Repair. At its sole cost and expense throughout the Term, Tenant shall (a) take good care of the Premises and all improvements thereon; (b) keep the same in good order and condition (ordinary wear and tear and casualty damages not covered by insurance excepted); and (c) make and perform all maintenance and all repairs of every nature, kind and description in and to the Premises and all improvements thereon as may be necessary or advisable to keep the Premises and such improvements in good working condition. When used in this Lease, "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Tenant shall be at least equal in quality to the condition of the

Premises and the improvements thereon as of the Commencement Date and shall be made in a good and workmanlike manner in accordance with all applicable laws, ordinances and regulations.

7.2 Exterior Maintenance. At all times during the Term, Tenant shall take good care of, repair and maintain all driveways, pathways, roadways, sidewalks, curbs, parking areas, loading areas, landscaped areas, entrances and passageways in good order and repair and shall promptly remove all accumulated snow, ice and debris from any and all driveways, pathways, roadways, sidewalks, curbs, parking areas, loading areas, entrances and passageways, and keep all portions of the Premises, including appurtenant areas, in a clean, natural and orderly condition.

7.3 No Landlord Responsibility. Landlord shall not be required to furnish any services or facilities or to make any repairs, replacements or alterations whatsoever in, about or to the Premises or any improvements thereon.

8. COMPLIANCE WITH LAWS. Tenant shall at its sole cost and expense promptly comply or cause compliance with or remove or cure or repair any violation of any and all encroachments, any present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal and other governmental bodies having jurisdiction over the Premises and the appropriate departments, commissions, boards and their officers; and the orders, rules and regulations of the Board of Fire Underwriters where the Premises is situated; or any other body now or subsequently constituted exercising lawful or valid authority over the Premises.

9. CONSTRUCTION LIENS AND OTHER LIENS. Tenant shall not suffer or permit any construction lien or other lien to be filed against all or any portion of the Premises, by reason of work, labor, services, equipment or materials supplied or claimed to have been supplied to the Premises, or any portion of the Premises. If any such construction lien or other lien shall at any time be filed against all or any portion of the Premises, Tenant shall cause the same to be discharged of record within thirty (30) days after notice thereof. If Tenant shall fail to discharge such construction lien or liens or other lien within such period it shall be deemed a Default and then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying to the claimant the amount claimed to be due or by procuring the discharge of such lien as to the Premises by deposit of a cash sum or a bond or other security, or in such other manner as is now or may in the future be provided by present or future law for the discharge of such lien as a lien against the Premises. Any amount paid by Landlord, or the value of any deposit so made by Landlord, together with all costs, fees and expenses (including reasonable attorneys' fees), and interest at the rate of three percent (3%) per annum above the prime rate as published from time to time by the Wall Street Journal or publication of a similar nature if the Wall Street Journal stops publishing (the "**Default Interest Rate**"), shall be repaid by Tenant to Landlord on demand. Tenant shall indemnify and defend Landlord and its agents and employees and save Landlord, its agents and employees and all or any portion of the Premises, harmless from all losses, costs, damages, expenses, liabilities, suits, penalties, claims, demands and obligations, including, without limitation, attorneys' fees, resulting from the assertion, filing, foreclosure or other legal proceedings with respect to any such mechanic's lien or other lien placed on the Premises or against the Tenant.

10. **TENANT'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

The Tenant hereby represents, warrants and covenants that:

- (a) Tenant is a resident of the State of Wisconsin, has the power and all necessary licenses, permits and franchises to own its assets and properties and to carry on its business, and is in good standing in the State of Wisconsin and all other jurisdictions in which failure to do so would have a material adverse effect on Tenant's business or financial condition;
- (b) Tenant has full authority to execute and perform this Lease and has obtained all necessary authorizations to enter into, execute, perform and deliver this Lease;
- (c) the execution, delivery, and performance of Tenant's respective obligations pursuant to this Lease will not violate or conflict with any other agreement to which Tenant is a party or is bound or any law applicable to Tenant or the Premises;
- (d) this Lease constitutes legal, valid, and binding obligations of Tenant enforceable against Tenant in accordance with their respective terms;
- (e) Tenant will promptly furnish to the Landlord, during the term of this Lease, written notice of any litigation affecting Tenant and any claims or disputes which involve a material risk of litigation against Tenant;
- (f) Tenant will provide to the Landlord, promptly upon the Landlord's request, any information or evidence deemed necessary by the Landlord related to performance of Tenant under this Lease to enable the Landlord to timely and accurately complete any accounting or reporting requirements applicable to the Landlord related to the transactions under this Lease; and
- (g) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Tenant is pending or threatened, and no other event has occurred which may materially adversely affect Tenant's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the Landlord in writing.

11. **DEFAULTS OF TENANT.**

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute a "**Default**" under this Lease:

- (a) If default shall be made in the due and punctual payment of any amount to be paid by Tenant under this Lease, when and as the same shall become due and payable and such default shall continue for a period of thirty (30) calendar days (except with regard to the payment of Rent which shall

continue for a period of five (5) calendar days) after written notice given by Landlord to Tenant;

- (b) If default shall be made by Tenant in keeping, observing or performing any of the terms contained in this Lease, other than matters of an emergency nature and other than those referred to in paragraph (a) of this Section 11.1, and such default shall continue for a period of thirty (30) calendar days after written notice given by Landlord to Tenant or such longer period if such cure cannot reasonably be completed by Tenant in a diligent, continuous and commercially acceptable manner in such thirty (30) calendar day period provided that such cure longer period shall not exceed ninety (90) calendar days from the date of notice.
- (c) If any representation made by Tenant in this Lease is determined at any time to be materially inaccurate or misleading.
- (d) If (i) Tenant shall make an assignment for the benefit of creditors; (ii) a voluntary petition is filed by Tenant under any law having for its purpose the adjudication of Tenant a bankrupt, or an involuntary petition in bankruptcy is filed against Tenant which is not dismissed within sixty (60) days; (iii) a receiver be appointed for the property of Tenant where possession is not restored to Tenant within thirty (30) days; or (iv) any department of the State of Wisconsin or the federal government, or any officer of such department duly authorized, shall take possession of the farming business or any material property of Tenant unless (in the case of a petition filed against Tenant) the same is dismissed within sixty (60) days.

11.2 Remedies. If a Default is not timely cured, to the extent any cure is permitted hereunder, Landlord shall have the rights and remedies set forth below, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it at law or in equity or elsewhere in this Lease:

- (a) Landlord may terminate this Lease and the Premises and all improvements thereon shall revert back to the Landlord;
- (b) Landlord may terminate Tenant's rights with regard to the Premises without terminating this Lease by giving written notice to Tenant that all of Tenant's rights to the Premises (including, without limitation, the right of possession) shall end on the date stated in such notice, whereupon Tenant's rights with regard to the Premises shall cease on the date stated in such notice; and
- (c) Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord under this Lease by a suit or suits in equity or at law for the specific performance of any covenant or agreement in this Lease, and for the enforcement of any other appropriate legal or equitable remedy, including, without limitation, injunctive relief and for recovery of all monies due or to become due from Tenant under any of the provisions

of this Lease. Landlord shall, to the extent required by law, mitigate Landlord's damages.

11.3 Surrender of Possession. If Landlord exercises either of the remedies provided for in Sections 11.2(a) and 11.2(b) above, Tenant shall surrender possession of and vacate the Premises and all improvements thereon and deliver possession of the Premises and such improvements back to Landlord in accordance with such provisions.

11.4 Additional Rights and Remedies. Notwithstanding anything to the contrary contained in this Lease, in addition to the remedies set forth herein, Landlord may pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of Wisconsin.

11.5 Termination of Lease. In the event of the termination of this Lease by Landlord, Landlord shall be entitled to recover from Tenant all sums payable by Tenant, or for which Tenant is liable or in respect of which Tenant has agreed to indemnify Landlord under any of the provisions of this Lease, which may be then owing and unpaid, and all costs and expenses, including, without limitation, court costs and reasonable attorneys' fees incurred by Landlord in the enforcement of its rights and remedies under this Lease. Notwithstanding the foregoing, all damages shall be subject to the Landlord's obligation to mitigate.

11.6 Personal Property. All property removed from the Premises by Landlord pursuant to any provisions of this Lease or by law may be handled, removed or stored by Landlord at the cost and expense of Tenant. Tenant shall pay Landlord for all reasonable expenses incurred by Landlord in such removal and for storage charges for such property as long as the same shall be in Landlord's possession or under Landlord's control. All such property not removed from the Premises or retaken from storage by Tenant after the end of the Term and in accordance with applicable state statute, however terminated, shall, at Landlord's option, be conclusively deemed to have been abandoned. Landlord shall have a lien on all such property located on the Premises to secure the Tenant's obligations hereunder.

11.7 Costs. Tenant shall pay all reasonable costs, charges and expenses, including, without limitation, court costs and reasonable attorneys' fees of Landlord in enforcing the obligations of the Tenant under this Lease.

12. **LANDLORD'S RIGHT TO CURE DEFAULT.**

12.1 Right to Cure. If Tenant shall at any time fail to (a) pay any Taxes in accordance with the provisions of this Lease; (b) obtain, pay for, maintain and deliver any of the copies of insurance policies or certificates of insurance provided for in this Lease; (c) make any repair required under the Lease; (d) make any other payment or perform any other act on its part to be made or performed under the Lease, then Landlord, after thirty (30) calendar days prior written notice to Tenant (or without notice in case of emergency or in the case of insurance) or such longer period if such cure cannot reasonably be completed by Tenant in a diligent, continuous, and commercially acceptable manner in such thirty (30) calendar day period provided that such cure longer period shall not exceed one hundred twenty (120) calendar days from the date of notice, and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease or any Default created by Tenant related thereto, may, but shall be under no obligation to, (i) obtain,

pay for and maintain any of the insurance policies provided for in this Lease; (ii) make any repair; or (iii) make any other payment or perform any other act on Tenant's part to be paid or performed as provided in this Lease, and Landlord may enter upon the Premises for any such purpose and take all such action in the Premises or on the Premises as may be reasonably necessary. Nothing contained in this Lease shall be deemed as a waiver or release of Tenant from any obligation of Tenant or any Default under this Lease.

12.2 Reimbursement. All sums so paid by Landlord pursuant to Section 12.1 above and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection with the performance of any such payment, together with interest at the Default Interest Rate from the respective dates of Landlord's making of each payment of such cost and expense, shall be paid by Tenant to Landlord within two (2) calendar days on written demand.

13. DESTRUCTION AND RESTORATION.

13.1 Restoration/Termination. Subject to Section 13.3, in the event the Premises or any improvements thereon shall be damaged or destroyed by fire or otherwise, Tenant shall promptly complete all Restoration (as defined below) of the Premises and such improvements (to the extent possible) as soon as reasonably possible to at least the condition that the Premises and all such improvements were in immediately prior to such damage or destruction with such changes or alterations (made in conformity with this Lease) as may be reasonably acceptable to Landlord and required by law. Tenant shall promptly give Landlord written notice of such damage or destruction upon any such occurrence and specify in such notice, in reasonable detail, the extent of such damage or destruction and the timeline for completion of such Restoration. For the purposes of this Lease, "**Restoration**" shall mean the restoration, repairs, replacements, rebuilding, changes and alterations, including the cost of temporary repairs for the protection of all or any portion of the Premises and improvements thereon. The Restoration shall be carried on and completed in accordance with the provisions and conditions of this Lease. To the extent Landlord receives any insurance proceeds for the reconstruction of the Premises and improvements, it shall pay over to Tenant in accordance with Section 13.2 below the net insurance proceeds (after deduction of all costs, expenses and fees related to recovery of the insurance proceeds) received by Landlord in such event for the Restoration. If the total of the net amount of the insurance proceeds (after deduction of all costs, expenses and fees related to recovery of the insurance proceeds) recovered by Tenant and the net insurance proceeds to be paid by Landlord to Tenant hereunder is insufficient to complete the Restoration (as determined by Tenant obtaining a contractor's guaranteed maximum price for the costs of Restoration and Landlord confirming its acceptance of the plan of Restoration) and there is a shortfall, Tenant shall deposit with a title insurance escrow agent the amount of the shortfall necessary to complete the Restoration less the amount of insurance proceeds available therefor.

13.2 Insurance Proceeds. All insurance monies recovered by Tenant or Landlord on account of any damage or destruction, plus the amount of any funds deposited by Tenant with Landlord subject to Section 13.1 above (including, without limitation, Landlord's offsets from insurance proceeds), shall be applied by Tenant to the payment of the costs of the Restoration. Tenant shall enter into an escrow agreement with a title company, who shall issue down-dated title report to the Landlord with each disbursement to pay for the design and construction of the Restoration with a final down-dated endorsement when the Restoration is substantially complete.

13.3 Early Termination. If the Premises shall be destroyed or damaged (through no intentional act of Tenant) and if Restoration cannot in the reasonable judgment of Landlord or Tenant be completed within ninety (90) calendar days after the date of such damage or destruction, or if Tenant is unable to escrow sufficient funds to pay for the Restoration, then either Landlord or Tenant shall have the option, within ninety (90) calendar days after the casualty, to terminate this Lease by notice, in writing, addressed to the other specifying such election. Upon giving of such notice, the insurance proceeds relating to such casualty shall be applied by Tenant first to raze and remove, within sixty (60) calendar days after such notice, any remaining improvements and restore the Premises to the condition the Premises were in prior to such casualty. All remaining insurance proceeds thereafter shall then be retained by Tenant. This Lease shall cease and come to an end on a date to be specified in such notice, which date shall not be more than sixty (60) days after the date of delivery of such notice. The Tenant shall pay to Landlord all charges payable by Tenant under this Lease, apportioned to the date of such termination. Notwithstanding the foregoing, if the Premises shall be destroyed or damaged during the last three months of the Term and if Restoration cannot in the reasonable judgment of Landlord or Tenant be completed within six (6) calendar months after the date of such damage or destruction, then either party shall have the option, within thirty (30) days after the casualty, to terminate this Lease by notice, in writing, addressed to the other party, specifying such election. Upon giving of such notice, all insurance proceeds relating to such casualty shall be applied by Tenant first to raze and remove, within sixty (60) calendar days after such notice, any remaining improvements and restore the Premises to the condition the Premises were in prior to such casualty. All remaining insurance proceeds shall be retained by the Tenant. The Lease shall cease and come to an end on a date to be specified in such notice, which date shall not be more than sixty (60) days after the date of delivery of such notice. Tenant shall pay to Landlord all charges payable by Tenant under this Lease, apportioned to the date of such termination.

14. CONDEMNATION.

14.1 Taking all or a Material Portion of the Premises. For the purposes of this Section 14, a “**Material Portion of the Premises**” means a partial taking of the Premises that the Tenant reasonably determines to materially interfere with its remaining operations. If the entire Premises or a Material Portion of the Premises shall be taken during the Term as the result of the exercise of the power of eminent domain or conveyed under threat of such power (referred to below as the “**Proceedings**”), this Lease and all right, title and interest of Tenant under this Lease shall terminate on the earlier of taking of possession by the condemning authority or the date of vesting of title pursuant to such Proceedings. Landlord shall be entitled to and shall receive the total award made in such Proceedings attributable to the fee title in the land taken and Tenant shall be entitled to and shall receive the total award made in such proceedings attributable to the improvements, and for the cost of realigning, relocating or removing its personal property or for relocation expenses, and that does not reduce the amount payable to Landlord for the value of the fee taken.

14.2 Taking a Non-Material Portion of the Premises. For the purposes of this Section 14, a “**Non-Material Portion of the Premises**” means a partial taking of the Premises that the Tenant reasonably determines does not materially interfere with its remaining operations. If, during the Term, a Non-Material Portion of the Premises is taken, this Lease shall, upon the earlier of taking of possession by the condemning authority or vesting of title in the Proceedings,

terminate as to the parts so taken but remain valid and binding on all other parts not taken. Tenant and Landlord shall each be entitled to the award as provided in Section 14.1 above. Tenant covenants and agrees, at Tenant's sole cost and expense (subject to reimbursement to the extent provided below), to promptly complete Restoration of that portion of the Premises not so taken for the use of Tenant. Landlord and Tenant agree in connection with such Restoration to apply the net amount of any award (after deduction of all costs and expenses, including reasonable attorneys' fees) to the Restoration in the same manner and to the same extent as provided for the Restoration of a casualty in Section 13.1 above.

15. ASSIGNMENT AND SUBLETTING.

15.1 Landlord Consent Required. Tenant shall not, without the prior written consent of Landlord, which consent may be withheld, conditioned or delayed in Landlord's sole discretion and for any reason, (a) assign, transfer, mortgage, or encumber this Lease or any interest under it; or (b) allow to exist or occur any transfer of this Lease or Tenant's interest in this Lease by operation of law. In no event shall this Lease be assigned or assignable by voluntary or involuntary bankruptcy proceedings or otherwise, and in no event shall this Lease or any rights or privileges under this Lease be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings, except as provided by law. Any such assignment shall be a Default under this Lease. Without limiting the generality of the foregoing, this Lease may not be assigned, transferred, mortgaged or encumbered to any partner or joint venture.

15.2 No Release of Tenant. No assignment by Tenant and no consent by Landlord to any assignment shall operate to relieve Tenant from any covenant or obligation under this Lease or be deemed to be a consent to or relieve Tenant from obtaining Landlord's consent to any subsequent assignment by Tenant or anyone claiming by, through or under Tenant. Tenant shall pay all of Landlord's reasonable costs, charges and expenses, including, without limitation, Landlord's reasonable attorneys' fees incurred in connection with any assignment, subletting, use, occupancy, transfer or encumbrance made or requested by Tenant.

15.3 Assumption. If Tenant shall assign this Lease (as permitted in this Lease), the assignee shall expressly assume all of the obligations of Tenant under this Lease in a written instrument reasonably satisfactory to Landlord which shall be furnished to Landlord not later than fifteen (15) calendar days prior to the effective date of such assignment, together with a certified copy of an appropriate resolution authorizing such assumption.

15.4 Subletting Prohibition. No subletting of the Premises or any improvements thereon shall be permitted at any time without the prior written consent of Landlord which may be withheld, conditioned or delayed for any reason.

16. HAZARDOUS AND TOXIC MATERIALS.

16.1 Definitions. For purposes of this Section 16, "**hazardous or toxic material**" shall be defined to include, without limitation, (a) asbestos or any material composed of or containing asbestos in any form and in any type, (b) polychlorinated biphenyl compounds ("**PCB**") or any material composed of or containing PCB, or (c) any hazardous, toxic or dangerous waste, substance, material, smoke, gas or particulate matter, as from time to time defined by or for

purposes of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, and any law commonly referred to, as of the date of this Lease, as “Superfund” or “Superlien,” or any successor to such laws, or any other federal, state or local environmental, health or safety statute, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards concerning or in connection with hazardous, toxic or dangerous wastes, substances, material, smoke, gas or particulate matters as now or subsequently in effect (each an “**Environmental Law**” and, collectively, the “**Environmental Laws**”), or any common law theory based on nuisance or strict liability.

16.2 No Violations. Neither Tenant nor any of the Tenant Responsible Parties (as defined below) shall conduct or authorize the generation, transportation, storage, installation, treatment or disposal at or on the Premises, of any hazardous or toxic material in violation of any Environmental Law, and any such action by Tenant or any of the Tenant Responsible Parties shall constitute a Default.

16.3 No Liens. Tenant and the Tenant Responsible Parties shall keep the Premises free of any lien imposed pursuant to any Environmental Laws.

16.4 Payment of Costs. Tenant and the Tenant Responsible Parties shall timely pay when due any and all costs of removal of any hazardous or toxic material located on the Premises (whether stored on, disposed in or otherwise).

16.5 Compliance with Laws. If Tenant or any of the Tenant Responsible Parties generates, transports, stores, treats or disposes of any hazardous or toxic material at or on the Premises:

- (a) Tenant shall, at its own cost and expense, comply with all Environmental Laws relating to clean-up of such hazardous or toxic materials and the restoration of the Premises and all improvements thereon;
- (b) Landlord and Tenant shall promptly provide the other with copies of all communications, permits or agreements with any governmental authority or agency (federal, state or local) or any private entity relating in any way to the presence, release, threat of release, placement on or in the Premises, or the generation, transportation, storage, treatment, or disposal at the Premises, of any hazardous or toxic material;
- (c) Landlord and Landlord’s agents and employees shall have the right (upon giving Tenant any notice required by this Lease) to enter the Premises and/or conduct appropriate tests for the purpose of ascertaining that Tenant and each of the Tenant Responsible Parties complies with all applicable laws, rules or permits relating in any way to the presence of hazardous or toxic materials on the Premises; and
- (d) In the event Tenant or any of the Tenant Responsible Parties uses, stores, originates hazardous or toxic materials on, in or at the Premises, then upon written request by Landlord, Tenant shall provide Landlord the results of appropriate tests of air, water and soil to demonstrate that Tenant and each

of the Tenant Responsible Parties complies with the applicable Environmental Laws and all other applicable laws, rules or permits relating in any way to the presence of hazardous or toxic materials on the Premises.

16.6 Tenant's Duties. If the presence, release, threat of release, placement on or in the Premises, or the generation, transportation, storage, treatment, or disposal at the Premises of any hazardous or toxic material caused by Tenant, its employees, guests, agents, or contractors (collectively, the “**Tenant Responsible Parties**”): (a) gives rise to liability (including, but not limited to, a response action, remedial action, or removal action) under any Environmental Laws or any common law theory based on nuisance or strict liability; (b) causes a significant public health effect; or (c) pollutes or threatens to pollute the environment, Tenant shall promptly take any and all remedial and removal action necessary to clean up the Premises and mitigate exposure to liability arising from the hazardous or toxic material, whether or not required by law.

16.7 Environmental Indemnities by Tenant and Landlord.

- (a) Tenant agrees to indemnify, defend and hold harmless Landlord, Landlord's employees and service providers and any managing agents and leasing agents of the Premises, and all of their respective agents, partners, officers, directors and employees and all mortgagees (collectively, the “**Landlord Indemnitees**”) from and against any and all debts, liens, claims, causes of action, administrative orders or notices, costs, personal injuries, losses, damages, liabilities, demands, lost profits, consequential damages, interest, fines, penalties or expenses, including attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by each of the Landlord Indemnitees resulting, directly or indirectly, from hazardous or toxic material brought onto the Premises by Tenant or by anyone for whom Tenant is liable (including, without limitation, the Tenant Responsible Parties) or for the migration of such hazardous or toxic material off the Premises during the Term of this Lease, except to the extent directly caused by the acts of Landlord or Landlord's agents or employees.
- (b) Landlord agrees to indemnify, defend and hold harmless Tenant, its managers, shareholders, partners, trustees, employees and members and their respective agents, partners, officers, directors and employees and all mortgagees and all Tenant Responsible Parties (collectively, the “**Tenant Indemnitees**”) from and against any and all debts, liens, claims, causes of action, administrative orders or notices, costs, personal injuries, losses, damages, liabilities, demands, lost profits, consequential damages, interest, fines, penalties or expenses, including attorneys' fees and expenses, consultants' fees and expenses, court costs and all other out-of-pocket expenses, suffered or incurred by the Tenant Indemnitees resulting, directly or indirectly, from the hazardous or toxic material existing on the Premises as of the Effective Date, from hazardous or toxic material brought onto the Premises by the Landlord or for the migration of such hazardous or toxic material off the Premises during the Term of this Lease unless caused by or

directly related to the acts or omissions of Tenant or any Tenant Responsible Parties. Landlord's obligations under this Section 16.7(b) shall survive the expiration or termination of this Lease.

16.8 Costs. Tenant agrees to indemnify, defend and hold harmless the Landlord Indemnitees from and against any and all damages, costs, losses, expenses (including, but not limited to, actual attorneys' fees and engineering fees) arising from or attributable to any breach by Tenant or any Tenant Responsible Parties of any of Tenant's warranties, representations or covenants in this Section 16.

16.9 Survival. All of Tenant's obligations under this Section 16 shall survive the expiration or termination of this Lease.

17. **RESERVATION OF RIGHTS**. Landlord hereby reserves unto itself the right to grant easements to utility providers on any portion of the Premises for the purpose of the installation and maintenance of water, sewer, electric, telecommunications, and all other utilities for any purpose.

18. **OWNERSHIP OF IMPROVEMENTS ON EXPIRATION DATE OR TERMINATION OF LEASE**.

18.1 Subject to the terms hereof, Tenant shall be the owner of the improvements made on the Premises by Tenant during the Term of this Lease.

18.2 Upon the expiration of the Term or termination of this Lease and subject to applicable law, the Premises and all improvements on the Premises shall become the sole property of Landlord free and clear of any and all liens and encumbrances and Tenant shall surrender its interest in the Premises to Landlord, except that all movable trade fixtures and other personal property not affixed to the Premises shall be and remain the property of Tenant. Tenant agrees to execute and deliver to Landlord any reasonable documents requested by Landlord to confirm Landlord's ownership of the improvements on the Premises and to surrender its interest in the Premises and such improvements on the Premises to Landlord.

19. **MISCELLANEOUS PROVISIONS**.

19.1 Inspection. Provided that Landlord has given Tenant reasonable prior notice (twenty-four (24) hours being deemed reasonable, except in case of emergency which then any shorter time period is deemed reasonable), Tenant agrees to permit Landlord and its authorized representatives to enter upon the Premises for the purpose of inspecting the same and to cause Tenant to make any necessary repairs to comply with any laws, ordinances, rules, regulations or requirements of any public body or the Board of Fire Underwriters, or any similar body, or otherwise pursuant to this Lease. Landlord will endeavor to exercise this right to reasonably avoid disruption to Tenant's operations on the Premises.

19.2 Notices. Any notice given under this Lease shall be deemed effective when: (a) personally delivered in writing; (b) a commercially recognized overnight delivery service provides confirmation of delivery; or (c) the third calendar day after notice is deposited with the

United States Postal Service (postage prepaid, certified with return receipt requested) and addressed as follows:

If to Landlord:

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

With copy to:

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

If to Tenant:

David J. Schleicher
6435 County Road A
Sheboygan Falls, WI 53085

19.3 Quiet Enjoyment. Landlord covenants and agrees that Tenant, upon paying the Rent, observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, observed and performed and no Default existing under this Lease, shall lawfully and quietly hold, occupy and enjoy the Premises (subject to the provisions of this Lease) during the Term without hindrance or molestation by Landlord or by any person or persons claiming under Landlord.

19.4 Accord and Satisfaction. No payment received by Landlord of a lesser amount than the Rent or other costs, charges, fees or other amounts due hereunder shall be deemed to be other than on account of the earliest stipulated rent or other charges nor shall any statement on a check or any letter accompanying a payment of rent or other charges be deemed an accord and satisfaction. Landlord may accept payment without prejudice to Landlord's right to recover the balance of Rent or other charges or pursue any remedy in this Lease.

19.5 Partial Invalidity, Governing Law. If any covenant, condition, provision, term or agreement of this Lease shall, to any extent, be held invalid or unenforceable, the remaining covenants, conditions, provisions, terms and agreements of this Lease or the application of such covenant, condition, provision, term or agreement to persons or circumstances other than to which it is held invalid or unenforceable, shall not be affected, but each covenant, condition, provision, term or agreement of this Lease shall be valid and in force to the fullest extent permitted by law. This Lease shall be construed and be enforceable in accordance with the internal laws of the State of Wisconsin without application of conflicts of law.

19.6 Successors. The covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord, its representatives, successors and assigns, and Tenant and its representatives, permitted successors and assigns.

19.7 Captions. The caption of each article of this Lease is for convenience and reference only, and in no way defines, limits or describes the scope or intent of such article or of this Lease.

19.8 No Joint Venture. This Lease does not create the relationship of principal and agent, or of partnership, joint venture, or of any association or relationship between Landlord and Tenant, the sole relationship between Landlord and Tenant being that of landlord and tenant under this Lease.

19.9 Entire Agreement. This Lease contains the entire agreement between the parties and supersedes all prior and contemporaneous representations, covenants, warranties and agreements, if any, made by the Landlord, including, without limitation, the “Agricultural Lease” between Landlord and Tenant made as of January 1, 2026 (the “**Prior Lease**”); provided, however, that nothing in this Lease shall release or waive any obligation of Tenant under the Prior Lease that accrued before the Effective Date or that, by the terms of the Prior Lease, survives its expiration or termination. This Lease shall not be modified or amended in any manner except by an instrument in writing executed by the then current parties to this Lease.

19.10 No Surrender. No surrender by Tenant to Landlord of this Lease or of all or any portion of the Premises, or any interest in the Premises, prior to the expiration of the Term shall be valid or effective unless agreed to and accepted in writing by Landlord and any lender with a lien on Tenant’s interests in this Lease or any portion of the Premises, and no act or omission by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord and such Tenant lender, as set forth above, shall constitute an acceptance of any such surrender.

19.11 Time. Time is of the essence of this Lease, and all provisions in this Lease relating to this Lease shall be strictly construed.

19.12 Exculpatory Provision. In case of default under this Lease by Landlord, Tenant shall provide Landlord notice of such default and permit Landlord to cure such default within ninety (90) calendar days of the date of such notice. Tenant shall look solely to the interests of Landlord in the Premises and the rents derived from the Premises; and Landlord shall not have any personal liability to pay any indebtedness accruing under this Lease or to perform any covenant, either express or implied, in this Lease contained; and that no personal liability or personal responsibility of any sort is assumed by, nor shall at any time be asserted or enforceable against, Landlord or any of Landlord’s officers, agents or employees on account of this Lease or on account of any representation, warranty, covenant, undertaking or agreement of Landlord contained in this Lease, either express or implied, all such personal liability, if any, being expressly waived and released by Tenant and by all persons claiming by, through or under Tenant.

19.13 Immunity. Nothing contained in this Lease constitutes a waiver of any immunity available to the Landlord under applicable law.

19.14 Execution. The submission of this Lease for examination does not constitute an offer to lease, or a reservation of, or option for, the Premises and this Lease becomes effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. Tenant confirms that Landlord has made no representations or promises with respect to the Premises or the making or entry into of this Lease except as are expressly set forth herein, and agrees that no claim or liability shall be asserted by Tenant against Landlord for, and Landlord

shall not be liable by reason of, breach of any representations, or promises not expressly stated in this Lease.

19.15 Recording of a Memorandum of this Lease Permitted. On the Commencement Date, Landlord and Tenant, upon the request of either party, shall execute a Memorandum of Lease in a form approved for recording by the laws of the State of Wisconsin. Either party, at its cost, shall be entitled to record the Memorandum of Lease in the Office of the Register of Deeds for Sheboygan County, Wisconsin.

19.16 Force Majeure. If any party is delayed or prevented from timely performing any act required under this Lease by reason of extraordinary and uncommon matters beyond the reasonable control of the party obligated to perform, including (but not limited to) fire, earthquake, war, terrorist act, pandemic, epidemic, flood, riot, strike, lockout, supply shortages, freight embargo, power outages, extreme weather or other similar causes or acts of God, such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay; provided, however, that the time for performance shall not be extended by more than ninety (90) calendar days unless agreed to in writing by the parties hereto.

19.17 Counterparts. This Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Lease by signing any such counterpart.

19.18 Email and Facsimile Signatures. Signatures received by email or facsimile submission or by DocuSign or any other electronic signature platform shall be deemed to be original signatures.

19.19 Holding Over. Tenant shall have no right to occupy or use the Premises after the expiration or earlier termination of the Term. Pursuant to Wis. Stat. § 704.25(4), the parties agree that neither Landlord's acceptance of Rent or any other payment from Tenant after the expiration of the Term nor any other act or omission of Landlord shall create a year-to-year, month-to-month or other periodic tenancy, or extend the Term, unless Landlord so elects in a writing signed by Landlord. Any holding over by Tenant without such written election shall be a tenancy at sufferance, and Tenant shall be liable to Landlord for all damages resulting from such holding over in accordance with Wis. Stat. § 704.27 and for all of Landlord's costs of removing Tenant and Tenant's property from the Premises, including reasonable attorneys' fees.

[Signature page follows]

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

LANDLORD:

CITY OF SHEBOYGAN, WISCONSIN

By: _____
Name: Ryan Sorenson, City Mayor

Attest: _____
Name: Meredith DeBruin, City Clerk

STATE OF WISCONSIN)
) ss.
SHEBOYGAN COUNTY)

Personally came before me this _____ day of _____, 2026, the above named Ryan Sorenson and Meredith DeBruin, the City Mayor and City Clerk of the City of Sheboygan, respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin
My commission _____

TENANT:

David J. Schleicher, an individual

STATE OF WISCONSIN)
) ss.
_____ COUNTY)

Personally came before me this _____ day of _____, 2026, the above named David J. Schleicher, to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, Wisconsin
My commission _____

EXHIBIT A – PREMISES

United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data "as is" and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS).

**CITY OF SHEBOYGAN
RESOLUTION 137-26-27**

BY ALDERPERSONS MITCHELL AND CLOSE.

OCTOBER 26, 2026.

A RESOLUTION authorizing the execution by the City of: (1) the Assignment and Assumption of Development Agreement, and (2) Consent to Assignment and Certification as to Status of TIF Development Agreement regarding Oscar Apartments LLC.

WHEREAS, the City entered into a Development Agreement with Oscar Apartments, LLC, dated January 2, 2020, which was amended by First Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan dated June 18, 2020, and further amended by Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan dated March 9, 2022 (as amended, the “Development Agreement”), regarding the development of certain real property located in the City of Sheboygan, as more particularly described in the Development Agreement (the “Property”). A copy of the Development Agreement is attached hereto and incorporated herein by reference; and

WHEREAS, Oscar Apartments, LLC, (“Assignor”) intends to convey the Property to Westmore Corridor LLC, AIF Corridor LLC and Illinois Corridor LLC, (collectively, “Assignee”) pursuant to a Purchase and Sale Agreement dated August 24, 2026, by and between Oscar Apartments, LLC, and Assignee; and

WHEREAS, Assignor desires to assign to Assignee all of its rights, interests, duties and obligations in and to the Development Agreement, and Assignee has agreed to accept said assignments and to assume all of Assignor’s rights, interests, duties and obligations under the Development Agreement which arise from and after the Effective Date; and

WHEREAS, the Development Agreement requires the City to consent to an assignment of Assignor’s rights under the Development Agreement and Assignee’s lender is requiring the City to consent to such assignment.

NOW, THEREFORE, BE IT RESOLVED: The Mayor and City Clerk are authorized to execute the Assignment and Assumption of Development Agreement and the Consent to Assignment and Certification as to Status of TIF Development Agreement in the form accompanying this resolution (or any modified versions of the foregoing, provided such modifications are approved by the City Attorney and/or outside City counsel).

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

**ASSIGNMENT AND ASSUMPTION OF
DEVELOPMENT AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (the “Assignment”) is made and entered into effective as of November 6, 2026 (the “Effective Date”), by and among **Oscar Apartments LLC**, a Delaware limited liability company, as successor by merger to Oscar Apartments LLC, a Missouri limited liability company (the “Assignor”), and **Westmore Corridor LLC**, a Delaware limited liability company (as to a 66.63%) (“Westmore”); **AIF Corridor LLC**, a Delaware limited liability company (as to a 1.63%) (“AIF Corridor”) and **Illinois Corridor LLC**, a Delaware limited liability company (as to a 31.74%) (“Illinois Corridor”, together with Westmore and AIF Corridor, the “Assignee”). The City of Sheboygan, a Wisconsin municipal corporation (the “City”), joins in executing this document solely for the purpose of consenting to this Assignment pursuant to Section 12.4 of the Development Agreement (defined below) to the Assignee.

RECITALS:

WHEREAS, Assignor and the City entered into that certain Development Agreement between Oscar Apartments LLC and the City of Sheboygan dated January 2, 2020, which was amended by that certain First Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan dated June 18, 2020, as further amended by that certain Second Amendment of Development Agreement between Oscar Apartments LLC and the City of Sheboygan dated March 9, 2022 (as amended, the “Development Agreement”), regarding the development of certain real property located in the City of Sheboygan, as more particularly described in the Development Agreement (the “Property”). A copy of the Development Agreement is attached hereto and incorporated herein by reference;

WHEREAS, on or about the Effective Date, Assignor has conveyed the Property to Assignee pursuant to that certain Purchase and Sale Agreement dated August 24, 2026 by and between Assignor and Assignee (as amended from time to time, the “Purchase Agreement”); and

WHEREAS, Assignor desires to assign to Assignee all of its rights, interests, duties and obligations in and to the Development Agreement, and Assignee agrees to accept said assignments and to assume all of Assignor’s rights, interests, duties and obligations under the Development Agreement which arise from and after the Effective Date.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor hereby assigns, conveys, and transfers all of its rights, interests, duties and obligations under the Development Agreement to Assignee, except as set forth in Paragraph 2, below, regarding Assignor’s right to receive Development Incentive Payments for tax years 2025 and 2026. Assignee hereby accepts said assignment and assumes the rights, interests, duties, and obligations under the Development Agreement arising from and after the Effective Date.
2. Development Incentive Payments. Pursuant to the Development Agreement, the City of Sheboygan is obligated to make certain Development Incentive Payments on an annual basis ending in 2038, as more fully set forth in the Development Agreement. Assignor and Assignee agree that Section 9 of the Purchase Agreement shall control with respect to which party is entitled to receive the Development Incentive Payments for tax years specified therein.

3. Indemnification. Assignor agrees to indemnify, protect, and hold harmless Assignee, and its members, shareholders, agents, employees, managers, successors and assigns, from any and all damages, losses, liabilities, claims, actions, interest, penalties, demands, obligations, judgments, expenses or costs (including court costs and reasonable attorneys' fees and disbursements) (collectively, "Losses") to the extent arising out of or in connection with the Development Agreement which occurred or arose or is alleged to have occurred or arisen prior to the Effective Date. Assignee agrees to indemnify, protect, release, and hold harmless Assignor, and its members, shareholders, agents, employees, managers, successors and assigns, from any and all Losses, to the extent arising out of or in connection with the Development Agreement which may occur or arise or are alleged to have occurred or arisen on or after the Effective Date.

4. Intentionally omitted.

5. Release. Assignee further releases Assignor from any and all obligations, duties, and other performance with respect to the Development Agreement arising on or after the Effective Date, it being understood that it is the intention of the Assignor and Assignee that Assignee shall be deemed to be the sole "Developer" under the Development Agreement as of the Effective Date, and Assignor shall be fully released from future performance. Notwithstanding the foregoing, Assignor's rights with respect to the Development Incentive Payments shall be controlled by Paragraph 2.

6. Miscellaneous. In case any provision contained in this Assignment shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Assignment shall be construed as if the invalid, illegal or unenforceable provision had never been contained herein. Except as expressly set forth in Paragraph 2, above, with respect to Development Incentive Payments, this document contains the entire agreement between Assignor and Assignee with respect to the subject matter hereof and it shall inure to the benefit of and shall bind the parties hereto, their respective successors or assigns. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.

ASSIGNOR:

OSCAR APARTMENTS LLC

By: Shevegas Oscar Holdings, LLC, its Manager

By: _____
Joshua D. Krsnak, Chief Manager

ASSIGNEE:

WESTMORE CORRIDOR LLC, A DELAWARE LIMITED
LIABILITY COMPANY (AS TO A 66.63%);

By: Axiom Manager II LLC, its Manager

By: _____
Eric A. Anderson, Managing Member

AIF CORRIDOR LLC, A DELAWARE LIMITED LIABILITY
COMPANY (AS TO A 1.63%)

By: Axiom Manager II LLC, its Manager

By: _____
Eric A. Anderson, Managing Member

ILLINOIS CORRIDOR LLC, A DELAWARE LIMITED
LIABILITY COMPANY (AS TO A 31.74%)

By: Axiom Manager II LLC, its Manager

By: _____
Eric A. Anderson, Managing Member

Solely for the purposes of satisfying Section 12.4 of the Development Agreement, the City consents to Assignor assigning Assignor's rights under the Development Agreement to Assignee. By signing below, the City: (a) makes no other representations, agreements or otherwise to any other parties hereto; (b) is not agreeing to, approving or otherwise consenting to any of the provisions set forth in this Assignment (other than the consent to the assignment as stated in Paragraph 1 of this Assignment); (c) is not in any way agreeing or consenting to any amendment to the Development Agreement; and (d) is not in any way waiving any immunity available to the City under applicable law and the City expressly reserves all of its rights and privileges with respect to immunities and protections granted to municipalities under applicable law.

CITY OF SHEBOYGAN

By: _____
Ryan Sorenson, Mayor

Attest: _____
Meredith DeBruin, City Clerk

**SECOND AMENDMENT OF
DEVELOPMENT AGREEMENT
BETWEEN
OSCAR APARTMENTS LLC
AND THE CITY OF SHEBOYGAN**

THIS SECOND AMENDMENT OF DEVELOPMENT AGREEMENT (the "Second Amendment"), made this 9th day of March, 2022, is by and between the City of Sheboygan, Wisconsin, a municipal corporation of the State of Wisconsin, with its principal offices located at 828 Center Avenue, Sheboygan, WI 53081 (hereinafter "City"), and Oscar Apartments LLC, a Missouri limited liability company with its principal offices located at 4565 McRee Ave., Suite 100, St. Louis, MO 63110 (hereinafter "Developer"). To the extent that the terms and conditions of this Second Amendment conflict with or contradict the terms and conditions of the Development Agreement, the terms of this Second Amendment shall supersede and control.

RECITALS

WHEREAS, Developer and the City have entered into a Development Agreement dated as of January 2, 2020 as amended by the First Amendment dated as of June 18, 2020, hereinafter collectively referred to as "the Development Agreement."

WHEREAS, in light of unanticipated supply chain issues and labor shortages during construction, Developer and City desire to further modify and amend the Redevelopment Agreement.

NOW, THEREFORE, in consideration of mutual covenants and agreements and good and valuable consideration, the delivery and receipt of which is hereby acknowledged by and between Developer and City, the parties do hereby agree to amend the Development Agreement as follows:

Article III. Section 3.2 is hereby amended to read as follows:

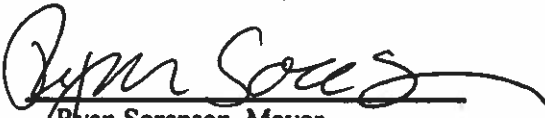
3.2 Default. Failure to substantially complete construction of the Project by May 30, 2022 is an event of default pursuant to Section 10.1(A) of this Agreement.

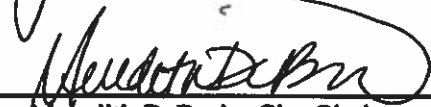
[Signature Page to Follow]

**SIGNATURE PAGE FOR SECOND AMENDMENT
OF DEVELOPMENT AGREEMENT**

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment of Development Agreement as of the date first above written.

CITY OF SHEBOYGAN, WISCONSIN

BY: 
Ryan Sorenson, Mayor

ATTEST: 
Meredith DeBruin, City Clerk

OSCAR APARTMENTS LLC

BY: 
Philip Hulse, Manager

This document authorized by and in accordance with Res. No. 145-21-22

**FIRST AMENDMENT OF
DEVELOPMENT AGREEMENT
BETWEEN
OSCAR APARTMENTS LLC
AND THE CITY OF SHEBOYGAN**

THIS FIRST AMENDMENT OF DEVELOPMENT AGREEMENT (the “First Amendment”), made this 18th day of June, 2020, is by and between the City of Sheboygan, Wisconsin, a municipal corporation of the State of Wisconsin, with its principal offices located at 828 Center Avenue, Sheboygan, WI 53081 (hereinafter “City”), and Oscar Apartments LLC, a Missouri limited liability company with its principal offices located at 8451 Maryland Avenue, St. Louis, MO 63105 (hereinafter “Developer”). To the extent that the terms and conditions of this First Amendment conflict with or contradict the terms and conditions of the Development Agreement, the terms of this First Amendment shall supersede and control.

RECITALS

WHEREAS, Developer and the City have entered into a Development Agreement dated as of January 2, 2020, hereinafter referred to as “the Development Agreement.”

WHEREAS, in light of updated modifications to Developer’s development program, changes to Developer’s financing structure during construction, analysis provided to Developer by Ehlers & Associates relative to TID revenue forecasts, and unanticipated difficulties negotiating a transfer of property from the Union Pacific Railroad for trail purposes, Developer and City desire to further modify and amend the Redevelopment Agreement.

NOW, THEREFORE, in consideration of mutual covenants and agreements and good and valuable consideration, the delivery and receipt of which is hereby acknowledged by and between Developer and City, the parties do hereby agree to amend the Development Agreement as follows:

1. Recitals.

The second recital is hereby amended to read as follows:

“The Developer proposes to build a 240-unit multi-family development targeted at providing rental housing units to the City.”

2. Article I.

a. The definition of “Development” is hereby amended to read as follows:

“*Development*” means the overall construction of an approximately 305,000 square foot multi-family apartment complex consisting of three

residential buildings with between 230 and 250 units and appurtenant buildings adjacent to S. 15th Street.

- b. The definition of “Project” is hereby amended to read as follows:

“*Project*” means the development proposed by Developer herein for construction of a new multi-family apartment complex consisting of four buildings and 240 units, located on the property described on Exhibit “A” (the “Property”).

3. Article II.

Section 2.1 is hereby amended to read as follows:

2.1 Project Overview. The Project consists of the construction of new multi-family buildings of approximately 305,000 square foot at a total estimated cost of \$45,000,000 with associated parking located on the property described on Exhibit “A” and pursuant to the plans in Exhibit “B.” Construction is to commence in approximately August 2020 and completed for opening by December 1, 2021. Cost for this construction is estimated to be \$45,000,000.

4. Article III.

Section 3.1 is hereby amended to read as follows:

3.1 Construction Schedule. Unless the parties agree in writing to a change, the construction schedule for the Project will be carried out as follows:

Site Plan Approval:	completed
Creation of TID:	completed
Issuance of the Building Permits:	July 1, 2020
Start Construction:	August 1, 2020
Substantial Completion:	December 1, 2021

Section 3.2 is hereby amended to read as follows:

3.2 Default. Failure to substantially complete construction of the Project by March 30, 2022 is an event of default pursuant to Section 10.1(A) of this Agreement.

5. Article VI.

- a. Section 6.1 is hereby amended to read as follows:

6.1 Development Incentives. Upon completion, the Property shall be assessed, assuming net operating income at a 6.75% capitalization rate. After the

assessed real estate property value of the project has exceeded a minimum of \$29,000,000 in incremental value, the City agrees to provide to the Developer each year for a maximum period of sixteen (16) years an annual incentive payment, in a total principal sum not to exceed \$7,250,000 as an inducement to Developer for the development of the Project. The annual incentive payments shall be calculated and provided to the Developer as follows:

Each year for a maximum period of sixteen (16) years, commencing in 2023 and ending in 2038, the City will pay to the Developer a development performance incentive payment in an amount equal to 65% of the Tax Increment Revenue received by the City with respect to the Property in that year, minus a fee for the City's administrative costs in the amount of the greater of either (i) \$5,000 or (ii) 1.5% the developer performance incentive payment. Said payment is conditioned upon either (i) the Tax Incremental Value of the Project being in excess of \$29,000,000 in respect to the real property upon which the Project is situated in that year, or (ii) the Developer having made payment of any and all tax increment deficiencies as defined in Section 5.5 herein. Provided sufficient Tax Revenue is available, the anticipated minimum amount of development performance incentive payments to be made each year is contained in "Exhibit C," which is attached hereto and made a part of this First Amendment. However, any variance or disagreement about the amounts to be paid shall be determined solely based on the language of this Section; Exhibit C is intended simply as a description of the anticipated minimum payments.

The terminology "real Property upon which the Project is situated" is used in this Section to make it clear only real property and not personal property shall be included in determining the Tax Increment Revenue. The City shall make the payment due to the Developer, if any, under this Section 5.1 no later than September 30 of each year, commencing in 2023. Payment by the City of the annual incentive will only be made if the Developer has paid current year property taxes (real and personal) to the City in full. Said payments are in no way tied to future property tax payments and do not provide any future tax break, nor do they refund already paid taxes. The development incentives payable under this section are subject to adjustment as provided herein.

b. Section 6.3 is hereby amended to read as follows:

6.3 Off-Site Public Improvements. The City shall in good faith negotiate for the purchase of such real property owned by Union Pacific Railroad Company situated in the City of Sheboygan, Sheboygan County, State of Wisconsin, between Milepost 148.2 and Milepost 149.5 of Union Pacific's former Sheboygan Passenger Line, and abandonment of Union Pacific's common carrier

obligations with regard to such property. This negotiation shall be for the purpose of obtaining the necessary land to create and construct a recreational trail extending from Georgia Avenue to Union Avenue along the Union Pacific Railway right-of-way. Said land purchase shall be in accordance with and subject to the National Trails System Act, 16 U.S.C. §1247(d), and the terms and conditions contained in a decision to be served by the Surface Transportation Board. Within six months after purchase of the property, abandonment of Union Pacific's obligations related to the property, and removal of all tracks, the City shall (i) at its sole cost and expense have prepared and paid for the cost of engineering and construction plans and specifications for an off-site recreational trail extending from Georgia Avenue to Union Avenue along the Union Pacific Railway right-of-way and (ii) contract for and install, maintain, repair, and replace said recreational trail. The City shall ensure that construction of the trail shall commence no later than the later of five (5) years after substantial completion of the project or five (5) years after obtaining title to the Union Pacific property, and that the trail shall be installed, maintained, and repaired in a good and workmanlike manner in accordance with sound engineering practices and in compliance with the Zoning Code and all other applicable laws, ordinances, regulations and requirements.

6. Article VII.

Section 7.1(a) is hereby amended to read as follows:

(A) The new 305,000 square foot multi-family development shall be completed in phases with final completion on or before December 1, 2021.

7. Exhibit B. Exhibit B is hereby replaced with the document attached to this First Amendment as "New Exhibit B."
8. Exhibit C. Exhibit C is hereby made a part of the Agreement.

**SIGNATURE PAGE FOR FIRST AMENDMENT
OF DEVELOPMENT AGREEMENT**

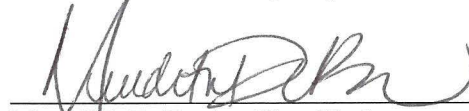
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment of Development Agreement as of the date first above written.

CITY OF SHEBOYGAN, WISCONSIN

BY:


Michael Vandersteen, Mayor

ATTEST:


Meredith DeBruin, City Clerk

OSCAR APARTMENTS LLC

BY:


Philip Hulse, Manager

This document authorized by and in accordance with Res. No. 30-20-21.



LEGAL DESCRIPTION

Part of the West One-half (1/2) of the Southeast One-quarter (1/4) of Section Twenty-seven (27), in Township Fifteen (15) North, Range Twenty-three (23) East, in the City of Sheboygan, Sheboygan County, Wisconsin, more particularly described as: Commencing at the intersection of the South line of Block 300 of the Original Plat of the City of Sheboygan (which is also identified in a Plat of Survey dated May 8, 2006 as the North line of the Southeast . of Section 27) and the Easterly line of South 15th Street; thence South 88° 25' 00" West along the South line of said Original Plat 20.00 feet to the point of beginning; thence continuing South 88° 25' 00" West, 299.56 feet along the South line of said Block 300 extended and Block 301 (described in said May 8, 2006 Survey as South 88° 48' 05" West, 59.91 feet and then South 89° 08' 09" West, 227.88 feet) to a point which is 133.98 feet East of the Easterly line of South 16th Street; thence South 60 feet (described in said May 8, 2006 Survey as South 00° 11' 31" West 60.35 feet); thence West 131.85 feet parallel to the South line of said Block 301 (described in said May 8, 2006 Survey as South 89° 16' 10" West 131.90 feet) to a point in the Easterly line of South 16th Street; thence South 70 feet (described in said May 8, 2006 Survey as South 00° 11' 31" West 69.54 feet) along the Easterly line of said South 16th Street to the Northerly line of the vacated portion of said street; thence West 326 feet, more or less, parallel with the South line of said Block 301 (described in said May 8, 2006 Survey as South 88° 59' 20" West 325.11 feet) to the point in the East line of Grams Subdivision No. 1; thence South 429 feet along the East line of said Grams Subdivision No. 1 (described in said May 8, 2006 Survey as South 01° 03' 40" West 428.50 feet); thence East 35 feet (described in said May 8, 2006 Survey as South 88° 56' 20" East 35.00 feet); thence South 115 feet (described in said May 8, 2006 Survey as South 01° 04' 11" West 115.00 feet); thence West 35 feet (described in said May 8, 2006 Survey as North 88° 56' 20" West 35.00 feet) to the point in the East line of said Grams Subdivision No. 1; thence South along said East line 240 feet, more or less (described in said May 8, 2006 Survey as South 01° 03' 40" West 240.17 feet) to a point which is 270 feet North of the North line of Broadway Avenue; thence East 200 feet (described in said May 8, 2006 Survey as North 89° 29' 20" East 200.00

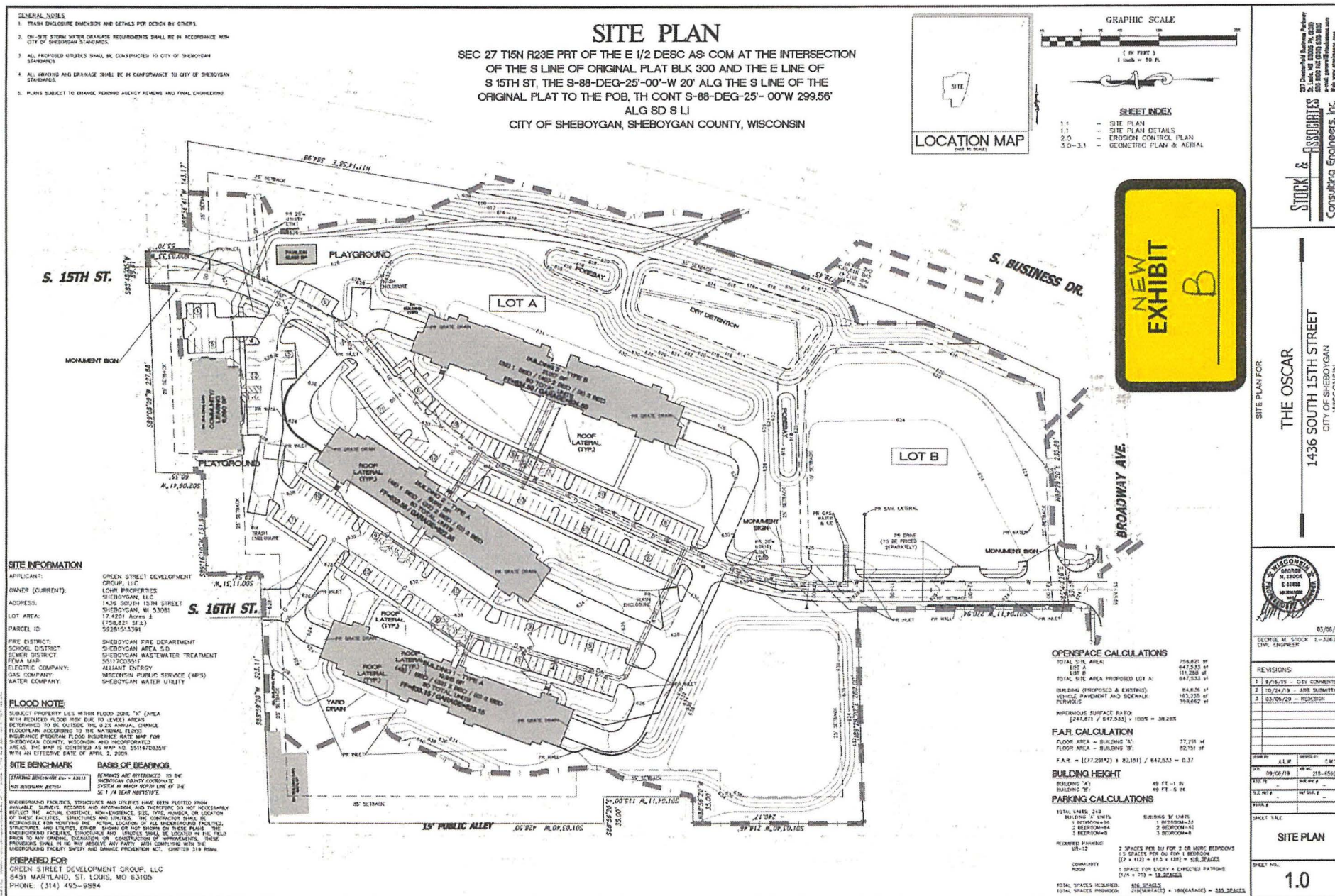
feet) parallel with the North line of Broadway Avenue; thence South 60 feet (described in said May 8, 2006 Survey as South 01° 04' 11" West 60.00 feet); thence East 80 feet (described in said May 8, 2006 Survey as North 89° 29' 20" East 80.00 feet) parallel with the North line of Broadway Avenue; thence South (described in said May 8, 2006 Survey as South 01° 04' 11" West) 189.23 feet to a point in the Northerly line of a parcel conveyed to the City of Sheboygan for the expansion of Broadway Avenue by Warranty Deed recorded as Document No. 1687705; thence North 85° 40' 26" East 63.59 feet along the Northerly line of Broadway Avenue; thence North 89° 29' 30" East 235.88 feet along said new Northerly line of Broadway Avenue to its intersection with the Westerly line of the main track right of way of the Chicago & Northwestern Railway; thence Northerly along said Westerly right of way line (described in said May 8, 2006 Survey as 779.45 feet along a curve to the left with a chord bearing North 19° 10' 30" East 776.97 feet and a radius of 2817.47 feet and thence North 11° 14' 58" East 384.98 feet) to a point 53.70 feet South of the South line of said Block 300 which point is the Southeast corner of Lot 1 of the Certified Survey Map recorded in Volume 9 of Certified Survey Maps, at Page 88, as Document No. 1199254; thence South 89° 53' 20" West 143.04 feet, of record, along the Southerly line of said Certified Survey Map (described in said May 8, 2006 Survey as North 89° 56' 41" West 143.17 feet) to the Southwest corner thereof; thence North (described in said May 8, 2006 Survey as North 00° 03' 33" West) 53.70 feet along the Westerly line of said Certified Survey Map to beginning, and including that portion of Vacated South 16th Street lying within said boundary description. Excepting therefrom those lands described in a Warranty Deed recorded on June 6, 2011, as Document No. 1925240.

Tax Key No. 59281513391

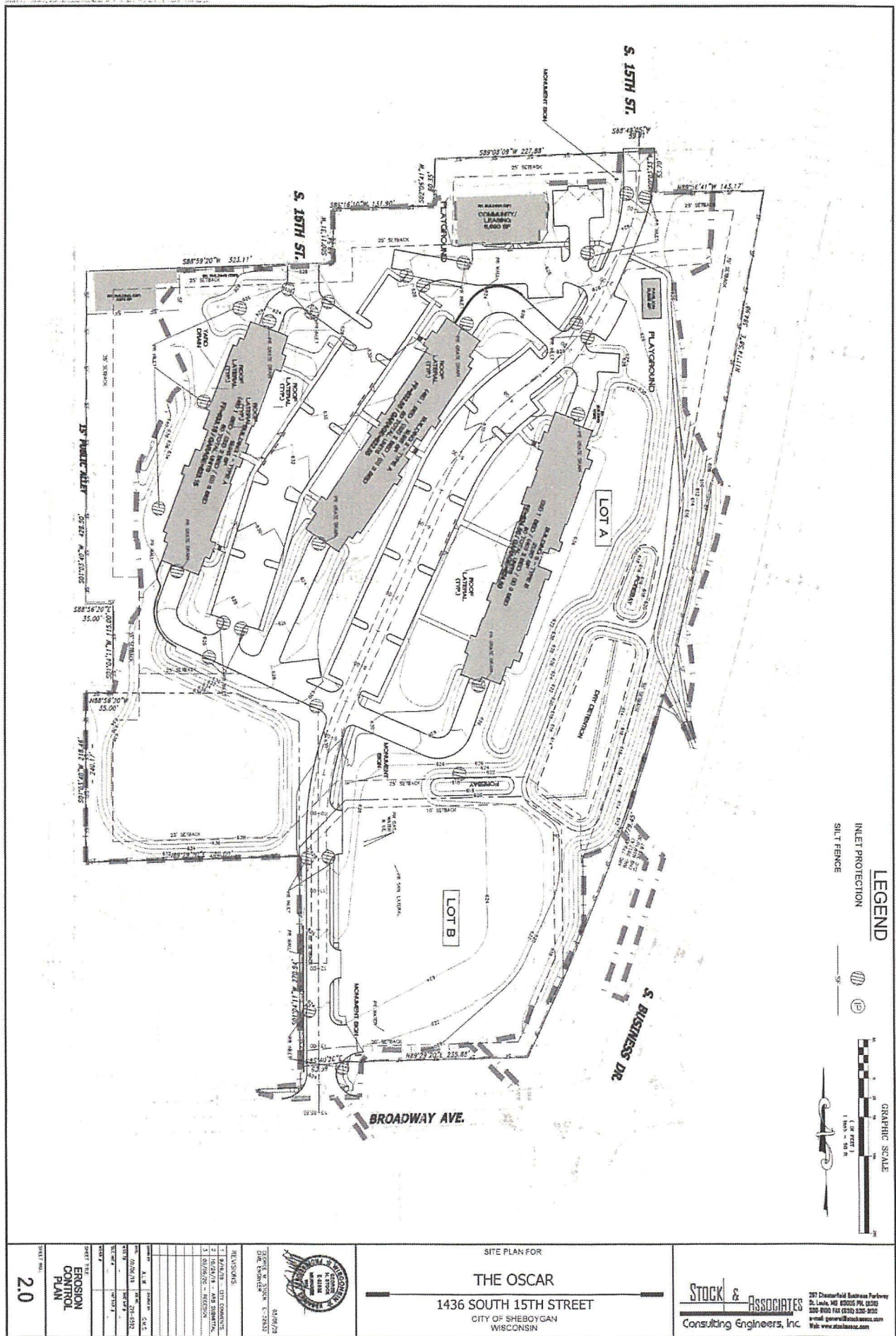
Address: 1436 South 15th Street, Sheboygan, WI 53082

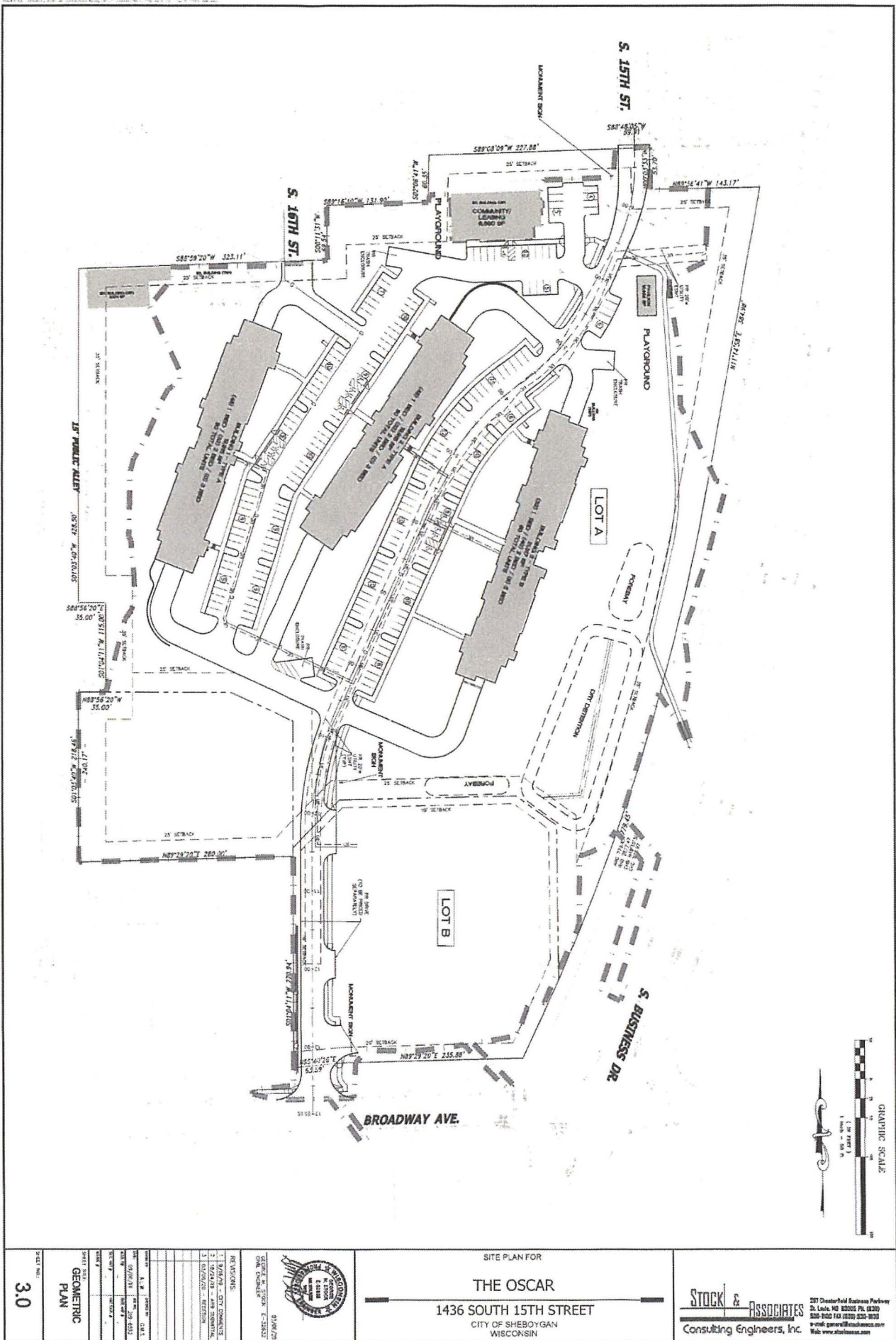
Tax Key No. 59281513500

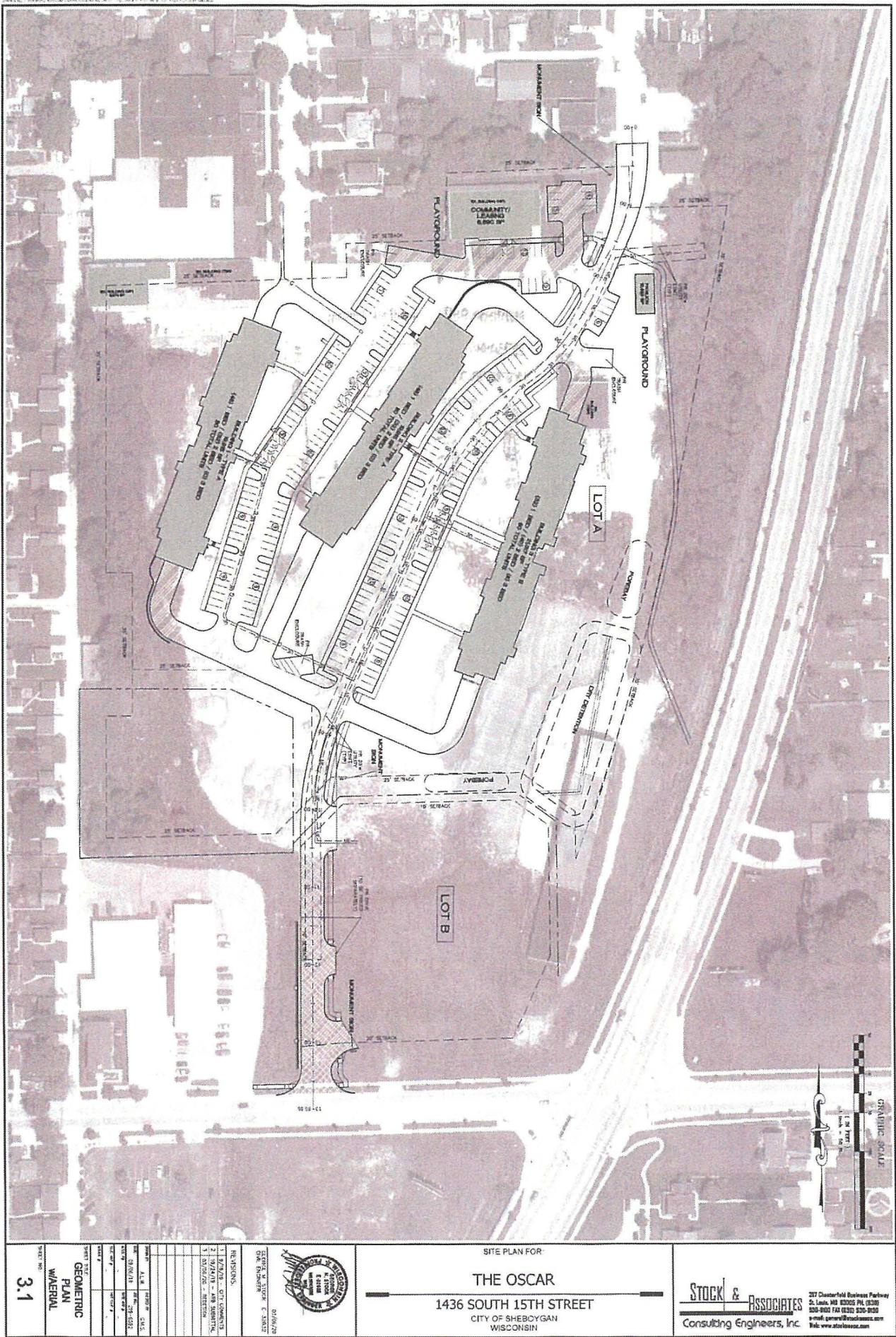
Address: 1440 South 16th Street, Sheboygan, WI 53082



	SITE PLAN FOR THE OSCAR 1436 SOUTH 15TH STREET CITY OF SHEBOYGAN WISCONSIN		287 Chesterfield Business Parkway St. Louis, MO 63025 PH: (636) 350-0000 FAX: (636) 350-0010 e-mail: plans@stockandassociates.com Web: www.stockandassociates.com
	DATE: 01/29/2025 DESIGNER: J. L. STOKES, P.E. PROJECT: THE OSCAR CLIENT: J. L. STOKES, P.E. LOCATION: 1436 SOUTH 15TH STREET, SHEBOYGAN, WI SCALE: AS SHOWN DATE: 01/29/2025 BY: J. L. STOKES, P.E.		







City of Sheboygan										
The Oscar Apartments - \$29M Value No Outparcel, City 35%										
Tax Increment District # _____										
Tax Increment Projection Worksheet										
Type of District	Rehabilitation			Base Value	637,710					
District Creation Date	January 1, 2019			Appreciation Factor	1.00%	Apply to Base Value				
Valuation Date	Jan 1, 2019			Base Tax Rate	\$24.87					
Max Life (Years)	27			Rate Adjustment Factor						
Expenditure Period/Termination	22 1/1/2041			Tax Exempt Discount Rate	2.50%					
Revenue Periods/Final Year	27 2047			Taxable Discount Rate	4.00%					
Extension Eligibility/Years	Yes 3									
Recipient District	Yes									
Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
1 2019	0	2020	0	0	2021	\$24.87	0	0	0	
2 2020	17,490,660	2021	0	17,490,660	2022	\$24.87	434,980	- 394,070	371,823	
3 2021	11,297,815	2022	174,907	28,963,382	2023	\$24.87	720,298	1,030,709	963,855	
4 2022	0	2023	289,634	29,253,016	2024	\$24.87	727,501	1,658,030	1,538,810	
5 2023	0	2024	292,530	29,545,546	2025	\$24.87	734,776	2,276,172	2,097,179	
6 2024	0	2025	295,455	29,841,001	2026	\$24.87	742,124	2,885,267	2,639,441	
7 2025	0	2026	298,410	30,139,411	2027	\$24.87	749,545	3,485,449	3,166,052	
8 2026	0	2027	301,394	30,440,805	2028	\$24.87	757,040	4,076,848	3,677,491	
9 2027	0	2028	304,408	30,745,214	2029	\$24.87	764,611	4,659,592	4,174,168	
10 2028	0	2029	307,452	31,052,666	2030	\$24.87	772,257	5,233,808	4,656,517	
11 2029	0	2030	310,527	31,363,192	2031	\$24.87	779,979	5,799,621	5,124,953	
12 2030	0	2031	313,632	31,676,824	2032	\$24.87	787,779	6,357,154	5,579,875	
13 2031	0	2032	316,768	31,993,592	2033	\$24.87	795,657	6,906,528	6,021,676	
14 2032	0	2033	319,936	32,313,528	2034	\$24.87	803,614	7,447,862	6,450,731	
15 2033	0	2034	323,135	32,636,664	2035	\$24.87	811,650	7,981,274	6,867,411	
16 2034	0	2035	326,367	32,963,030	2036	\$24.87	819,766	8,506,881	7,272,070	
17 2035	0	2036	329,630	33,292,661	2037	\$24.87	827,964	9,024,795	7,665,057	
18 2036	0	2037	332,927	33,625,587	2038	\$24.87	836,244	9,535,130	8,046,708	
19 2037	0	2038	336,256	33,961,843	2039	\$24.87	844,606	10,037,997	8,417,349	
20 2038	0	2039	339,618	34,301,462	2040	\$24.87	853,052	10,533,505	8,777,299	
21 2039	0	2040	343,015	34,644,476	2041	\$24.87	861,583	11,021,761	9,126,866	
22 2040	0	2041	346,445	34,990,921	2042	\$24.87	870,198	11,502,873	9,468,349	
23 2041	0	2042	349,909	35,340,830	2043	\$24.87	878,900	11,976,943	9,796,039	
24 2042	0	2043	353,408	35,694,238	2044	\$24.87	887,689	12,444,076	10,116,219	
25 2043	0	2044	356,942	36,051,181	2045	\$24.87	896,566	12,904,373	10,427,164	
26 2044	0	2045	360,512	36,411,693	2046	\$24.87	905,532	13,357,934	10,729,138	
27 2045	0	2046	364,117	36,775,810	2047	\$24.87	914,587	13,804,857	11,022,402	
Totals	28,788,475		7,987,334		Future Value of Increment		20,778,499			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



**DEVELOPMENT AGREEMENT
BETWEEN
OSCAR APARTMENTS LLC
AND THE CITY OF SHEBOYGAN**

THIS DEVELOPMENT AGREEMENT (the “Agreement”), is made and entered into as of the 2nd day of January, 2019 by and between the City of Sheboygan, Wisconsin, a municipal corporation of the State of Wisconsin, with its principal offices located at 828 Center Avenue, Sheboygan, WI 53081 (hereinafter “City”), and Oscar Apartments LLC, a Missouri limited liability company with its principal offices located at 8451 Maryland Avenue, St. Louis, MO 63105 (hereinafter “Developer”).

RECITALS

The City is in process of establishing Tax Increment District (“TID #20”), in accordance with Section 66.1105, Wis. Stats. (the “Tax Increment Law”), in order to provide a viable method of financing eligible project costs within the district for appropriate private development, which will contribute to the overall development of the City.

The Developer proposes to build a 248-unit multi-family development targeted at providing rental housing units to the City.

The City is authorized by Section 66.1105(3)(e), Wis. Stats, as amended, to enter into any contract or agreement necessary or convenient to implement the provisions and effectuate the purposes of the Project for TID #20.

The Project to be undertaken by the Developer, as described herein, is of particular importance to the City and will provide new housing units in the City.

The Project Plan will include “Development Incentive Payments” as eligible project costs for purposes of carrying out the Project Plan.

The City proposes to enter into this Development Agreement with the Developer to achieve the objectives of TID #20 and to facilitate the implementation of TID #20 Project Plan. The City is prepared to provide financial assistance to the Developer through development incentives in order to bring about the continued development in accordance with this Agreement.

Developer has acquired real property within TID #20 and intends to develop the property by constructing new multi-family buildings at an estimated cost of \$45,000,000 (the “Project”).

It is in the mutual interest of all parties to proceed with development of the Project, and in return for the benefits to be derived therefrom, the City is prepared to provide financial assistance to the Developer through development incentives in order to bring about the development and thereby promote the sound redevelopment of the area of South 15th Street that has historically been used for industrial purposes in an otherwise residential area.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals, the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

1.1 Definitions. All capitalized terms used herein and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

“Agreement” or *“Development Agreement”* means this Agreement, as the same may be from time to time modified, amended or supplemented.

“Contribution Deadline” means the year in which closure and dissolution of the District occurs as set forth in the Project Plan.

“Developer” means Oscar Apartments LLC and its permitted successors and assigns.

“Development” means the overall construction of an approximately 230,000 square multi-family apartment complex consisting of four residential buildings with 248 units and appurtenant buildings adjacent to S. 15th Street.

“Development Incentive Payments” means the property tax increment payments made to the Developer by the City pursuant to this Agreement.

“Events of Default” means any of the events described in Section 9.1 hereof.

“Plans and Specifications” means the plans and specifications for the Project prepared from time to time by the Developer which are approved by the City in accordance with all procedures and requirements of the City for such approvals.

“Project” means the development proposed by Developer herein for construction of a new multi-family apartment complex consisting of four buildings and 248 units, located on the property described on Exhibit “A” (the “Property”).

“Tax Increment Revenue” means the tax increment (as defined in Section 66.1105(2)(i), Wis. Stats.) generated by the Property.

“TID Project Plan” means the Project Plan for Tax Incremental Financing District No. 20 (“TID #20”) of the City of Sheboygan, Wisconsin.

ARTICLE II. OVERVIEW OF THE PROJECT

2.1 Project Overview. The Project consists of the construction of new multi-family buildings of approximately 230,000 square foot at a total estimated cost of \$45,000,000 with associated parking located on the property described on Exhibit "A" and pursuant to the plans in Exhibit "B." Construction is to commence in approximately May 2020 and completed for opening by November, 2021. Cost for this construction is estimated to be \$45,000,000.

ARTICLE III. CONSTRUCTION SCHEDULE

3.1 Construction Schedule. Unless the parties agree in writing to a change, the construction schedule for the Project will be carried out as follows:

Site Plan Approval:	completed
Creation of TID:	March 31, 2020
Issuance of the Building Permits:	April 1, 2020
Start Construction:	April 15, 2020
Substantial Completion:	October 15, 2021

3.2 Default. Failure to substantially complete construction of the Project by the date agreed to in this document (or as amended by the parties in writing) is an event of default pursuant to Section 10.1(A) of this Agreement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

4.1 Developer's Representations and Warranties. The Developer makes the following representations and warranties which the City may rely upon in entering into this and all other agreements with the Developer and granting all approvals, permits and licenses for the Project.

(A) Developer is a duly organized and existing limited liability company in current status under the laws of the State of Missouri.

(B) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by Developer, and no other or further acts or proceedings of Developer are necessary to authorize and approve the execution, delivery and performance of this Agreement and the matters contemplated hereby. This Agreement, and the exhibits, documents and instruments associated herewith and made a part hereof, have been duly executed and delivered by Developer and constitute the legal, valid and binding agreement and obligation of Developer, enforceable against it in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally, and by general equitable principles.

(C) There are no lawsuits filed or pending, or to the knowledge of Developer, threatened against Developer that may in any way jeopardize the ability of Developer to perform its obligations hereunder.

(D) Developer has sufficient funds through equity investment in Developer and through lending sources for the completion of the Project. Developer shall provide evidence thereof satisfactory to the City prior to the issuance by the City of any building permits, and from time to time upon the reasonable request of the City. The Developer shall promptly notify the City of any material adverse change in the Developer's financial condition.

(E) Developer is/will be the owner of the Property. The Project to be constructed will be fully subject to taxation under Wisconsin Property Tax Laws. Developer, for itself, its successors and assigns, shall take no action(s), and shall file no claim(s) seeking, promoting or encouraging exemption of the Project in whole or part from taxability under Property Tax Laws.

ARTICLE V. UNDERTAKINGS OF THE DEVELOPER

5.1 Compliance with Codes, Plans and Specifications, Etc. The building(s) and other improvements to be constructed upon the Property, the construction thereof, and their uses shall be in compliance with all applicable codes and ordinances of the City, and with all pertinent provisions of this Agreement, the Development Plan and the Plans and Specifications. The acceptance of this Agreement and granting of any and all approvals, licenses and permits by the City shall not obligate the City to grant any variances, exceptions or conditional use permits, or approve any building the City determines not to be in compliance with the City codes and ordinances. All work done by or for Developer shall be in accordance with all applicable City codes and ordinances, the Plans and Specifications, and other applicable laws and regulations. All plans for each aspect of the work must be approved by the City (which may delegate such approvals to its staff in accordance with City codes, ordinances and policies). If permits or approvals are required for any such work, issuance of such permits or approvals is a condition to commencement of such work, and Developer will at its sole cost and expense take such action as required to seek such approvals and permits.

5.2 Real Estate and Personal Property Taxes. Developer, as an inducement to the City to proceed with establishment of TID #20 and to provide development incentive payments as provided herein to Developer for the development of the Project, hereby represents that the contemplated Project will be fully subject to real estate and personal property taxes under state law. Developer further represents and agrees for itself, its successors and assigns, that in addition to its obligations pursuant to Section 4.1(D) of this Agreement, it shall take no action(s) or advocate any position or change in state law which would jeopardize or call into question the taxability of the Project or eliminate real estate or personal property taxation in the State of Wisconsin.

5.3 Payments in Lieu of Taxes. Notwithstanding the above, in the event that the Project, or the Property, or any part thereof, is determined at any time to be exempt from real and/or personal property taxation under state law, or in the event that a particular tax is eliminated or repealed, Developer, for itself, its successors and assigns, agrees to make payments in lieu of taxes to the City, County, school district, and any other property taxing jurisdictions in the amounts and within the time periods that would otherwise be required as if the property were fully taxable, in recognition of the valuable governmental services and benefits available and/or provided to the Project and the Property.

5.4 Assessed Valuation Challenges. The Parties agree that in no event shall the Developer have any limitations on its rights to contest, challenge, or protest real estate taxes or other taxes assessed or imposed against the Project; provided, however, Developer shall not take any action at Open Book, Board of Review or in Circuit Court to reduce the assessed valuation of the Project subject to this Development Agreement to an assessed real estate property value lower than that necessary to produce a minimum amount of Property Tax Increment of \$606,276.85 annually during the term that the District remains open. No restrictions to legal challenges shall be in place after the Contribution Deadline.

5.5 Payment of Tax Increment Deficiencies. Commencing upon the substantial completion of the Development through the Contribution Deadline in the event that the real estate property valuation is less than \$29,000,000.00 per year beginning in the real property tax year in which the Development is substantially completed, the Developer agrees to pay the difference if any, between (i) the Property Tax collected by the City pursuant to Wis. State Statute 66.1105 and (ii) the Property Tax amount that would be collected by the City were the Project property to be assessed at \$29,000,000. The difference, if any, shall be paid by Developer to the City within thirty (30) days of billing each year such increment deficiency occurs, under the Contribution Deadline, at which time no further payments of the difference to the City shall be required. Notwithstanding the foregoing, in the event the substantial completion of the Development occurs on the date that is not the first of any real property tax year, the foregoing Property Tax Increment threshold shall be allocated on a per diem basis over the real property tax year shall by amount equal to such per-diem threshold multiplied by the number of days remaining in such partial real property tax year following substantial completion of the Development. In addition to any other remedy available at law or in equity, the parties agree that the portion of this Agreement relating to payment of tax increment deficiencies represents a loan to an owner of a premises located in the City for a brownfield revitalization project, and as such the City in its discretion may also enforce collection of Developer's obligations to pay tax increment deficiencies by imposing special assessments in accordance with the procedure or special charges against the Developer pursuant to §66.0627, Wis. Stats., which procedure is hereby consented to and all objections waived, and furthermore, separately or on conjunction with any other available remedy, may offset any increment payments due to Developer by the amount of actual, and reasonably anticipated which become actual unpaid tax increment deficiencies Developer has failed to pay City as required by this Agreement.

5.6 Cooperation with City. Developer shall reasonably cooperate with the City to facilitate the City's performance under Article VI.

5.7 Good Faith Hiring and Contracting Efforts. Developer agrees to exercise good faith in striving whenever possible to hire, retain, and contract with qualified individuals and businesses residing and/or based in the City of Sheboygan, as well as veterans and minority-owned businesses. Developer agrees to undertake reasonable efforts to make opportunities known and available to local residents and businesses, such as advertising in publications and internet resources frequented by such residents and businesses.

ARTICLE VI. UNDERTAKINGS OF THE CITY

6.1 Development Incentives. Upon completion, the Property shall be assessed, assuming net operating income at a 6.75% capitalization rate. After the assessed real estate property value of the project has exceeded a minimum of \$29,000,000, the City agrees to provide to the Developer each year for a maximum period of sixteen (16) years an annual incentive payment, in a total principal sum not to exceed \$7,250,000 as an inducement to Developer for the development of the Project. The annual incentive payments shall be calculated and provided to the Developer as follows:

Each year for a maximum period of sixteen (16) years, commencing in 2021 and ending in 2036, the City will pay to the Developer a development performance incentive payment in an amount equal to 65% of the Tax Increment Revenue received by the City with respect to the Property in that year, minus \$5,000 for the City's administrative costs, provided that the Tax Incremental Value of the Project is in excess of \$29,000,000 in respect to the real property upon which the Project is situated in that year. Notwithstanding the calculation in this subsection, in no event shall the total aggregate sum of the annual development performance incentive payments to the Developer exceed \$471,250. The terminology "real Property upon which the Project is situated" is used in this Section to make it clear only real property and not personal property shall be included in determining the Tax Increment Revenue. The City shall make the payment due to the Developer, if any, under this Section 5.1 no later than September 30 of each year, commencing in 2021. Payment by the City of the annual incentive will only be made if the Developer has paid current year property taxes (real and personal) to the City in full. Said payments are in no way tied to future property tax payments and do not provide any future tax break, nor do they refund already paid taxes. The development incentives payable under this section are subject to adjustment as provided herein.

6.2 Condition Precedent to Payment of Development Incentives. Developer shall provide evidence reasonably satisfactory to the City at least 90 days prior to the date of the first incentive payment in 2021 that Developer has expended not less than \$45,000,000 in costs related to the project.

6.3 Off-Site Public Improvements. The City shall, at its sole cost and expense: (i) have prepared and paid for the cost of engineering and construction plans and specifications for an off-site recreational trail extending from Georgia Avenue to Union Avenue along the Union Pacific Railway right-of-way; and (ii) contract for and install, maintain, repair, and replace said recreational trail. The City shall ensure that construction of the trail shall commence no later than five (5) years after substantial completion of the project, and that the trail shall be installed, maintained, and repaired in a good and workmanlike manner in accordance with sound engineering practices and in compliance with the Zoning Code and all other applicable laws, ordinances, regulations and requirements.

ARTICLE VII. CONDITIONS TO THE UNDERTAKINGS OF THE CITY

7.1 All Obligations of the City under this Agreement. As a condition to each and all of the covenants, agreements and other obligations of the City under this Agreement, all of the following shall occur, in addition to all other requirements and conditions set forth in this Agreement:

- (A) The new 230,000 square foot multi-family development shall be completed in phases with final completion on or before October 15, 2021.
- (B) All representations and warranties of Developer set forth in Article III and elsewhere in this Agreement and in all agreements expressly referred to herein shall be true, complete and correct.
- (C) All covenants and obligations of Developer under this Agreement are duly performed, observed and satisfied.
- (D) No Event of Default has occurred, or with the giving of notice or lapse of time would occur.

ARTICLE VIII. TID CONTINGENCY

8.1 Creation of TID. Developer's and the City's obligations hereunder are contingent upon the City creating and obtaining Joint Review Board approval of a Tax Incremental District including, at a minimum, the Property as contemplated herein, after October 31, 2019, and having the base year certified by the Wisconsin Department of Revenue as of 2020. The City shall take all commercially reasonable steps required to create and obtain Joint Review Board approval of a Tax Incremental District.

8.2 Failure to Create TID. If the contingency set forth in this Article is not timely satisfied, amended or waived, then this Agreement shall terminate and the parties shall be relieved of all liability to one another under this Agreement.

ARTICLE IX. INDEMNIFICATION OF THE CITY

9.1 Indemnification. The Developer hereby indemnifies and holds harmless the City, its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this section collectively referred to as the "Indemnified Parties"), against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the development of the Project, provided that the foregoing indemnification shall not be effective for any negligent acts of the Indemnified Parties in fulfilling the obligations of the City or its agents as set forth in this Agreement. Except for any willful misrepresentation or any willful misconduct of the Indemnified Parties, the Developer will protect and defend the Indemnified Parties from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the action or inaction of the Developer (or other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership and operation of the Project. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

ARTICLE X. DEFAULT/REMEDIES

10.1 Events of Default. An Event of Default is any of the following:

(A) Failure by the Developer to cause substantial completion of the Project to occur pursuant to the terms, conditions and limitations of this Agreement.

(B) Failure of the Developer to perform or observe any and all covenants, conditions, obligations or agreements on its part to be observed or performed when and as required under this Agreement, in either case within forty-five (45) days after written notice to the Developer of such failure, provided that if such matter is not financial and cannot be cured within such forty-five (45) day period but if the Developer commences to cure such matter within the forty-five (45) day period and thereafter reasonably and continuously takes action to complete such cure and such cure is completed within ninety (90) days of the date of written notice to Developer, then the event will not be an Event of Default.

(C) Failure by the City to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed when and as required under this Agreement, in either case within forty-five (45) days after written notice to the City of such failure, provided that if such matter is not financial and cannot be cured within such forty-five (45) day period but if the City commences to cure such matter within the forty-five (45) day period and thereafter reasonably and continuously takes action to complete such cure and such cure is completed within ninety (90) days of the date of notice to the City, then the event will not be an Event of Default.

(D) Developer becomes insolvent or is the subject of bankruptcy or insolvency proceedings.

10.2 Remedies on Default. Whenever an event of default occurs and is continuing, the other non-defaulting party may take any one or more of the following actions:

(A) The non-defaulting party may immediately suspend their performance under this Agreement from the time any notice of an Event of Default is given until they receive assurances from the defaulting party deemed adequate by the non-defaulting party, that the defaulting party has cured or will cure its default and continue its performance under this Agreement.

(B) The non-defaulting party may take any action, including legal or administrative action, in law or in equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the defaulting party under this Agreement.

10.3 No Remedy Exclusive. No remedy or right conferred upon or reserved to the City in this Agreement is intended to be exclusive of any other remedy or remedies, but each and every such right and remedy shall be cumulative and shall be in addition to every other right and remedy given under this Agreement now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

10.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE XI. FORCE MAJEURE

11.1 Force Majeure. No party will be responsible to any other party for any resulting losses if the fulfillment of any of the terms of this Agreement is delayed or prevented by war, strikes, fires, floods, acts of God, and other reasons wholly without the control of the party with whose performance there was interference, and which, by the exercise of reasonable diligence, such party is unable to prevent, and the time for performance will be extended by the period of delay occasioned by any such cause.

ARTICLE XII. ADDITIONAL PROVISIONS

12.1 Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interest or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer's successors or assigns on any obligations under the terms of this Agreement.

12.2 Incorporation by Reference. All exhibits and other documents attached hereto or referred to herein are hereby incorporated in and shall become a part of this Agreement.

12.3 No Implied Approvals. Nothing herein shall be construed or interpreted in any way to waive any obligation or requirement of Developer to obtain all necessary approvals, licenses and permits from the City in accordance with its usual practices and procedures, nor limit or affect in any way the right and authority of the City to approve or disapprove the Development Plan, Plans and Specifications, or any part thereof, or to impose any limitations, restrictions and requirements on the development, construction and/or use of the Project as a condition of any such approval, license or permit; including, without limitation, requiring any and all other development and similar agreements.

12.4 No Assignment. Developer may assign its rights in this Agreement without the consent of the City to any affiliate of the Developer. Developer may not assign its rights in this Agreement without the express prior written consent of the City to any non-affiliated assignee.

12.5 No Joint Venture. Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership or joint venture between or among such parties.

12.6 Time of the Essence. Time is deemed to be of the essence with regard to all dates and time periods set forth herein or incorporated herein.

12.7 Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

12.8 Notices. Any notice required hereunder shall be given in writing, signed by the party giving notice, personally delivered or mailed by certified or registered mail, return receipt requested, to the parties' respective addresses as follows:

To the City: City of Sheboygan, Wisconsin
828 Center Ave.
Sheboygan, WI 53081
Attn: City Clerk

with a copy to:
City Attorney
City of Sheboygan, Wisconsin
828 Center Ave.
Sheboygan, WI 53081

To the Developer: Oscar Apartments LLC
8451 Maryland Avenue
St. Louis, MO 63105
Attn: Joel Oliver

12.9 Entire Agreement. This document and all other documents and agreements expressly referred to herein contain the entire agreement between the Developer and the City with respect to the matters set forth herein. This Agreement may be modified only by a writing signed by all parties.

12.10 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Wisconsin.

12.11 Cooperation. The City and the Developer agree to cooperate in the prosecution of applications made by either party for any governmental certificates or approvals appropriate or necessary for the consummation of the transactions contemplated by this Agreement or the use and occupancy of the Property. The City and the Developer each will at any time, or from time to time at the written request of the other, sign and deliver such other documents as may be reasonably requested or as may be reasonably necessary or appropriate to give full effect to the terms and conditions of this Agreement.

12.12 Counterparts. This agreement may be executed in any number of counterparts, each of which shall be deemed an original.

12.13 Binding. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and permitted assigns.

12.14 Fees. Upon execution of this Agreement, and thereafter upon request of the City, the Developer shall reimburse the City for all legal, consulting and other fees and expenses incurred in connection with the preparation of this Agreement, the creation of TID #20, for external review of Developer's pro forma by Ehlers & Associates, and other documents and agreements referred to herein.

List of Exhibits:

- A Legal Description
- B Developer's Project Plans

This document consists of 36 pages, including the following signature page, plus any Exhibits.

**SIGNATURE PAGE FOR
DEVELOPMENT AGREEMENT**

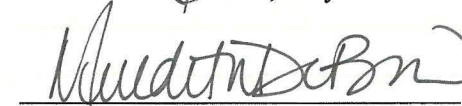
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF SHEBOYGAN, WISCONSIN

BY:


Michael Vandersteen, Mayor

ATTEST:


Meredith DeBruin, City Clerk

OSCAR APARTMENTS LLC

BY:


Philip Hulse, Manager

This document authorized by and in accordance with Res. No. 128-19-20.

EXHIBIT A

LEGAL DESCRIPTION

Part of the West One-half (1/2) of the Southeast One-quarter (1/4) of Section Twenty-seven (27), in Township Fifteen (15) North, Range Twenty-three (23) East, in the City of Sheboygan, Sheboygan County, Wisconsin, more particularly described as: Commencing at the intersection of the South line of Block 300 of the Original Plat of the City of Sheboygan (which is also identified in a Plat of Survey dated May 8, 2006 as the North line of the Southeast ¼ of Section 27) and the Easterly line of South 15th Street; thence South 88° 25' 00" West along the South line of said Original Plat 20.00 feet to the point of beginning; thence continuing South 88° 25' 00" West, 299.56 feet along the South line of said Block 300 extended and Block 301 (described in said May 8, 2006 Survey as South 88° 48' 05" West, 59.91 feet and then South 89° 08' 09" West, 227.88 feet) to a point which is 133.98 feet East of the Easterly line of South 16th Street; thence South 60 feet (described in said May 8, 2006 Survey as South 00° 11' 31" West 60.35 feet); thence West 131.85 feet parallel to the South line of said Block 301 (described in said May 8, 2006 Survey as South 89° 16' 10" West 131.90 feet) to a point in the Easterly line of South 16th Street; thence South 70 feet (described in said May 8, 2006 Survey as South 00° 11' 31" West 69.54 feet) along the Easterly line of said South 16th Street to the Northerly line of the vacated portion of said street; thence West 326 feet, more or less, parallel with the South line of said Block 301 (described in said May 8, 2006 Survey as South 88° 59' 20" West 325.11 feet) to the point in the East line of Grams Subdivision No. 1; thence South 429 feet along the East line of said Grams Subdivision No. 1 (described in said May 8, 2006 Survey as South 01° 03' 40" West 428.50 feet); thence East 35 feet (described in said May 8, 2006 Survey as South 88° 56' 20" East 35.00 feet); thence South 115 feet (described in said May 8, 2006 Survey as South 01° 04' 11" West 115.00 feet); thence West 35 feet (described in said May 8, 2006 Survey as North 88° 56' 20" West 35.00 feet) to the point in the East line of said Grams Subdivision No. 1; thence South along said East line 240 feet, more or less (described in said May 8, 2006 Survey as South 01° 03' 40" West 240.17 feet) to a point which is 270 feet North of the North line of Broadway Avenue; thence East 200 feet (described in said May 8, 2006 Survey as North 89° 29' 20" East 200.00 feet) parallel with the North line of Broadway Avenue; thence South 60 feet (described in said May 8, 2006 Survey as South 01° 04' 11" West 60.00 feet); thence East 80 feet (described in said May 8, 2006 Survey as North 89° 29' 20" East 80.00 feet)

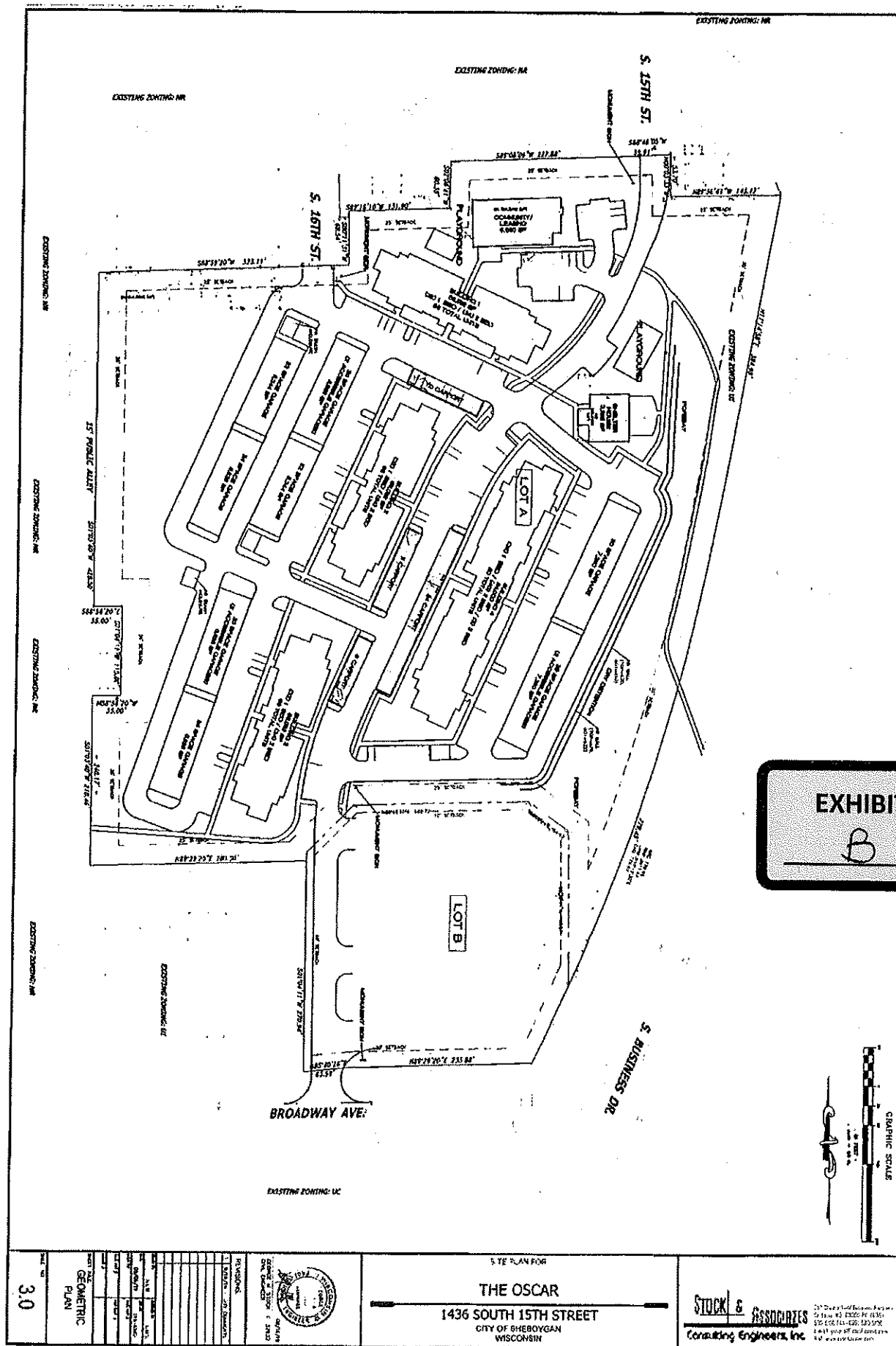
parallel with the North line of Broadway Avenue; thence South (described in said May 8, 2006 Survey as South 01° 04' 11" West) 189.23 feet to a point in the Northerly line of a parcel conveyed to the City of Sheboygan for the expansion of Broadway Avenue by Warranty Deed recorded as Document No. 1687705; thence North 85° 40' 26" East 63.59 feet along the Northerly line of Broadway Avenue; thence North 89° 29' 30" East 235.88 feet along said new Northerly line of Broadway Avenue to its intersection with the Westerly line of the main track right of way of the Chicago & Northwestern Railway; thence Northerly along said Westerly right of way line (described in said May 8, 2006 Survey as 779.45 feet along a curve to the left with a chord bearing North 19° 10' 30" East 776.97 feet and a radius of 2817.47 feet and thence North 11° 14' 58" East 384.98 feet) to a point 53.70 feet South of the South line of said Block 300 which point is the Southeast corner of Lot 1 of the Certified Survey Map recorded in Volume 9 of Certified Survey Maps, at Page 88, as Document No. 1199254; thence South 89° 53' 20" West 143.04 feet, of record, along the Southerly line of said Certified Survey Map (described in said May 8, 2006 Survey as North 89° 56' 41" West 143.17 feet) to the Southwest corner thereof; thence North (described in said May 8, 2006 Survey as North 00° 03' 33" West) 53.70 feet along the Westerly line of said Certified Survey Map to beginning, and including that portion of Vacated South 16th Street lying within said boundary description. Excepting therefrom those lands described in a Warranty Deed recorded on June 6, 2011, as Document No. 1925240.

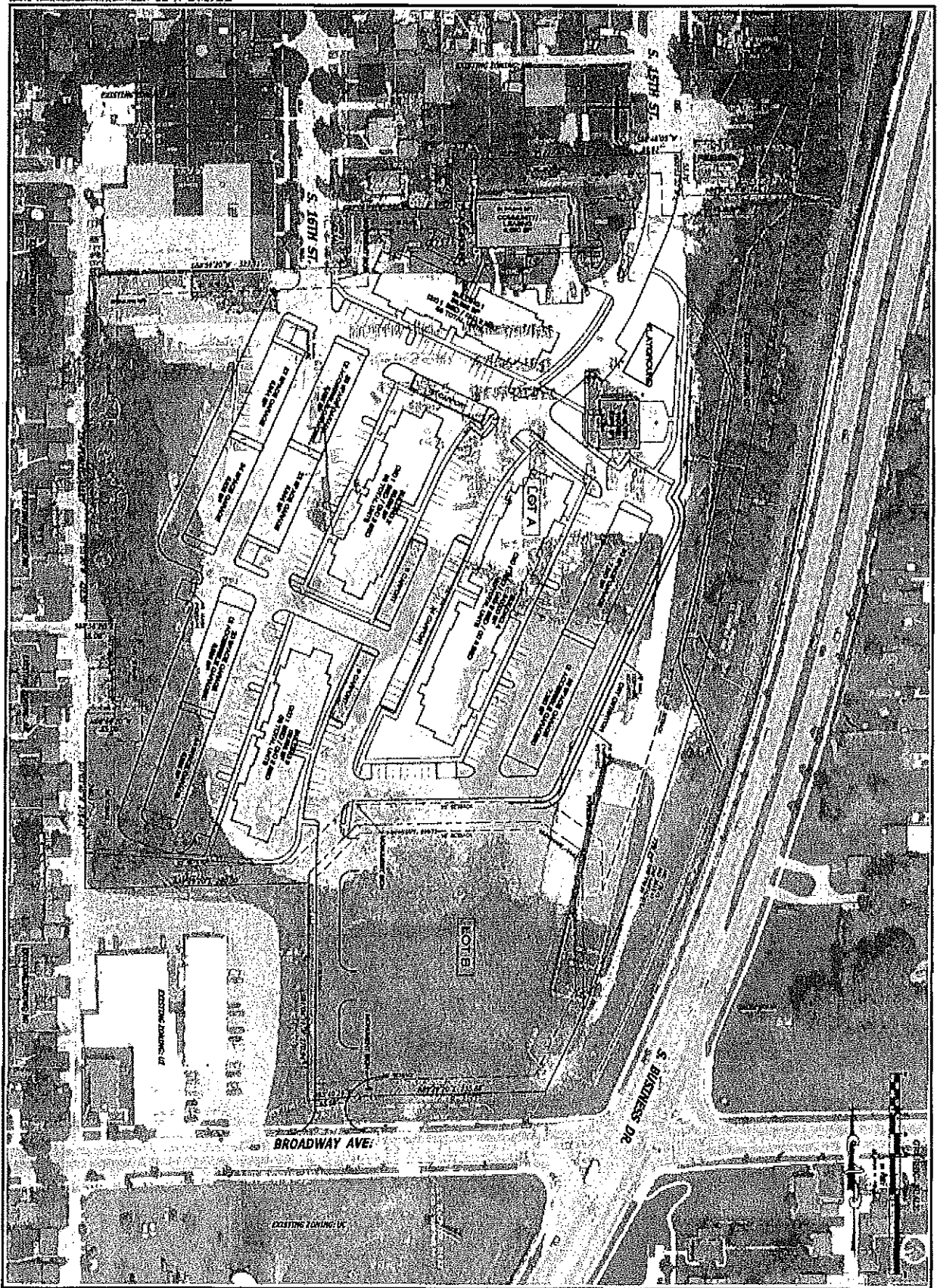
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Address: 1436 South 15th Street, Sheboygan, WI 53082

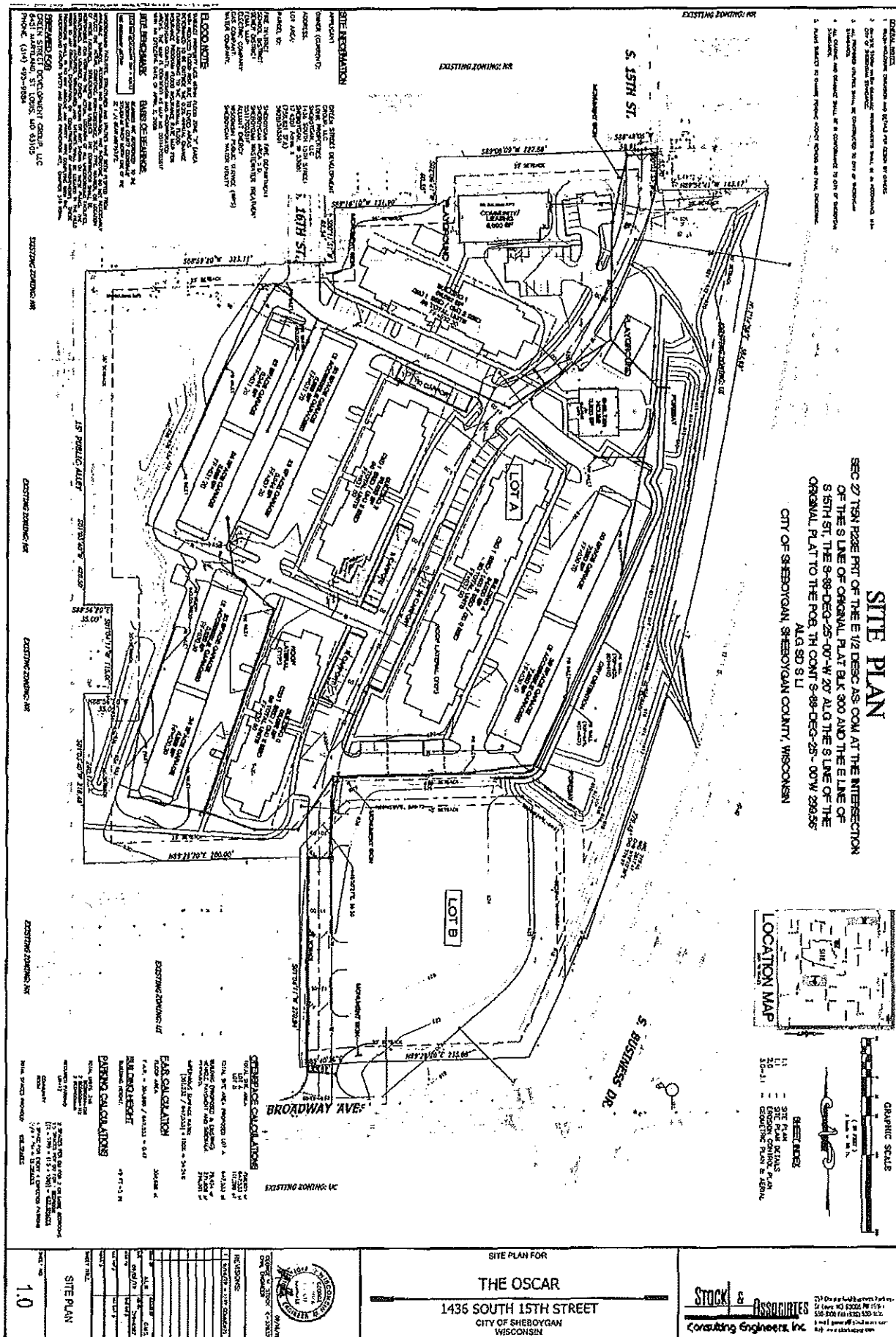
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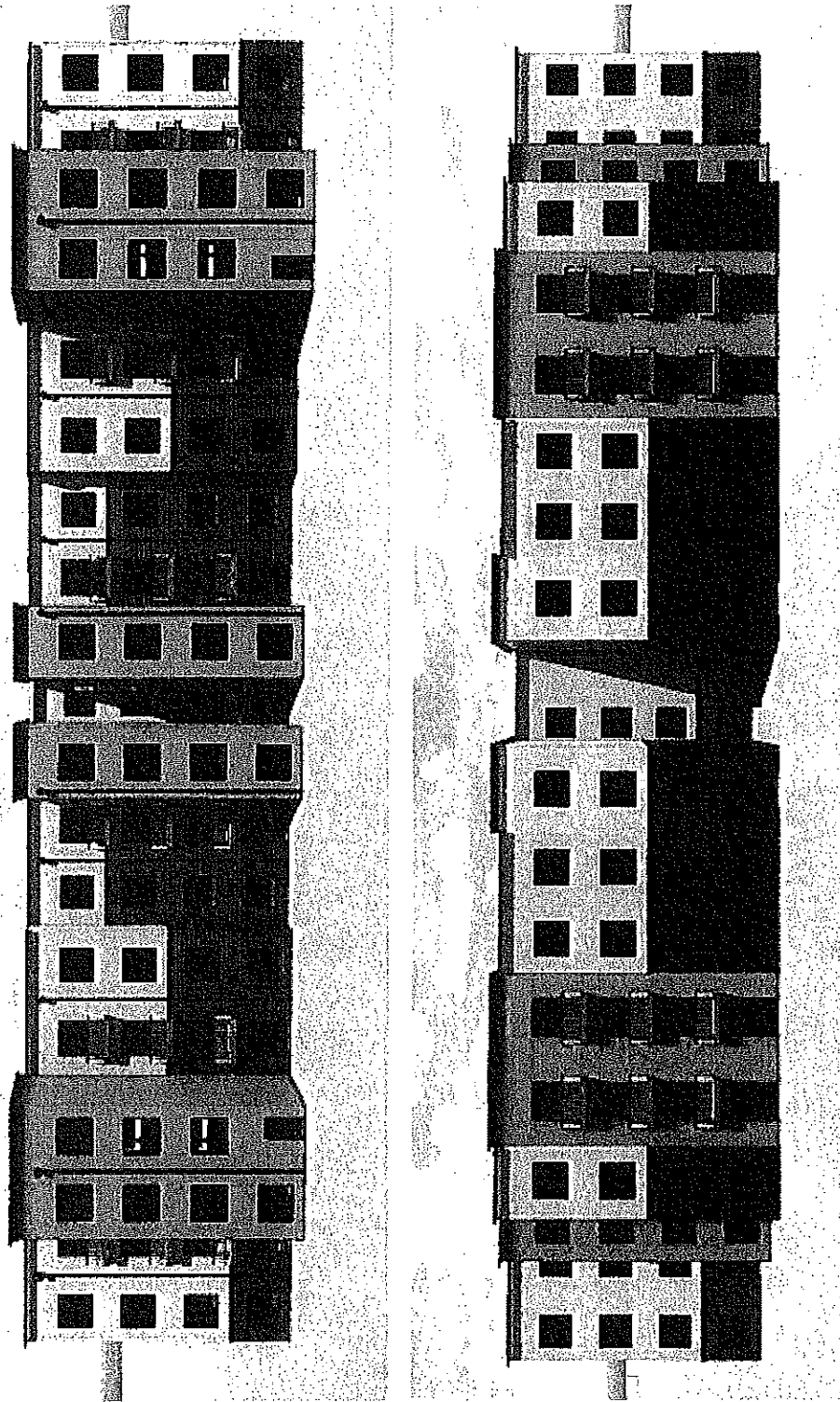
Address: 1440 South 16th Street, Sheboygan, WI 53082





3.1 GEOMETRIC PLAN SHEET	DATE: 10/1/01 BY: [Signature] CHECKED: [Signature] APPROVED: [Signature]	SITE PLAN FOR THE OSCAR 1436 SOUTH 15TH STREET CITY OF SHEBOYGAN WISCONSIN	STOCK & ASSOCIATES Consulting Engineers, Inc. 201 Drexel Road, Sheboygan, WI 53081-1000 920.452.1111 FAX 920.452.1112 www.stockandassociates.com																															
	REVISIONS <table border="1"> <thead> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10/1/01</td> <td>PRELIMINARY</td> </tr> <tr> <td>2</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>3</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>4</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>5</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>6</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>7</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>8</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>9</td> <td>10/1/01</td> <td>REVISED</td> </tr> <tr> <td>10</td> <td>10/1/01</td> <td>REVISED</td> </tr> </tbody> </table>	NO.	DATE	DESCRIPTION	1	10/1/01	PRELIMINARY	2	10/1/01	REVISED	3	10/1/01	REVISED	4	10/1/01	REVISED	5	10/1/01	REVISED	6	10/1/01	REVISED	7	10/1/01	REVISED	8	10/1/01	REVISED	9	10/1/01	REVISED	10	10/1/01	REVISED
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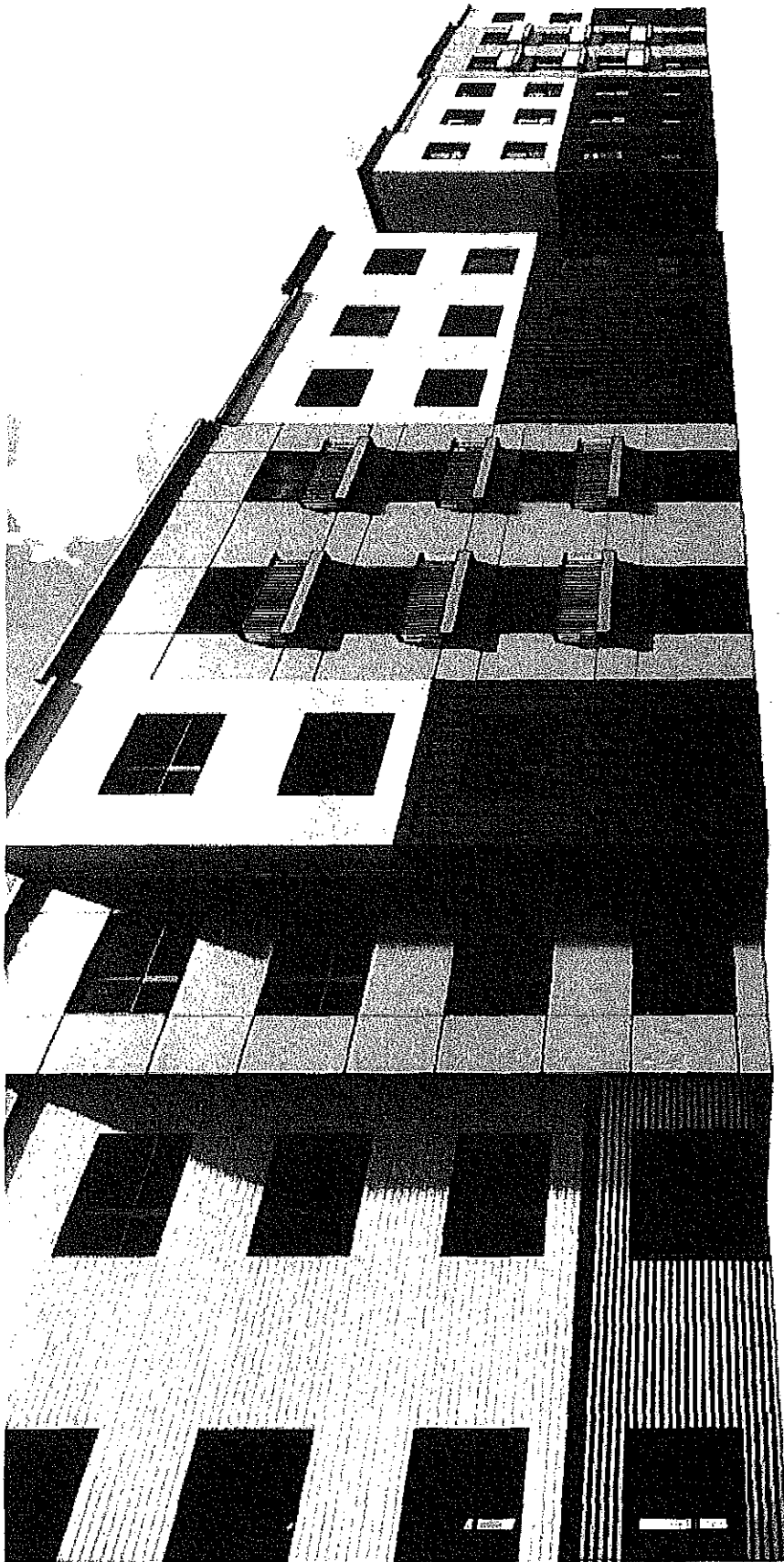


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& ASSOCIATES

BUILDING A EXTERIOR RENDERERS

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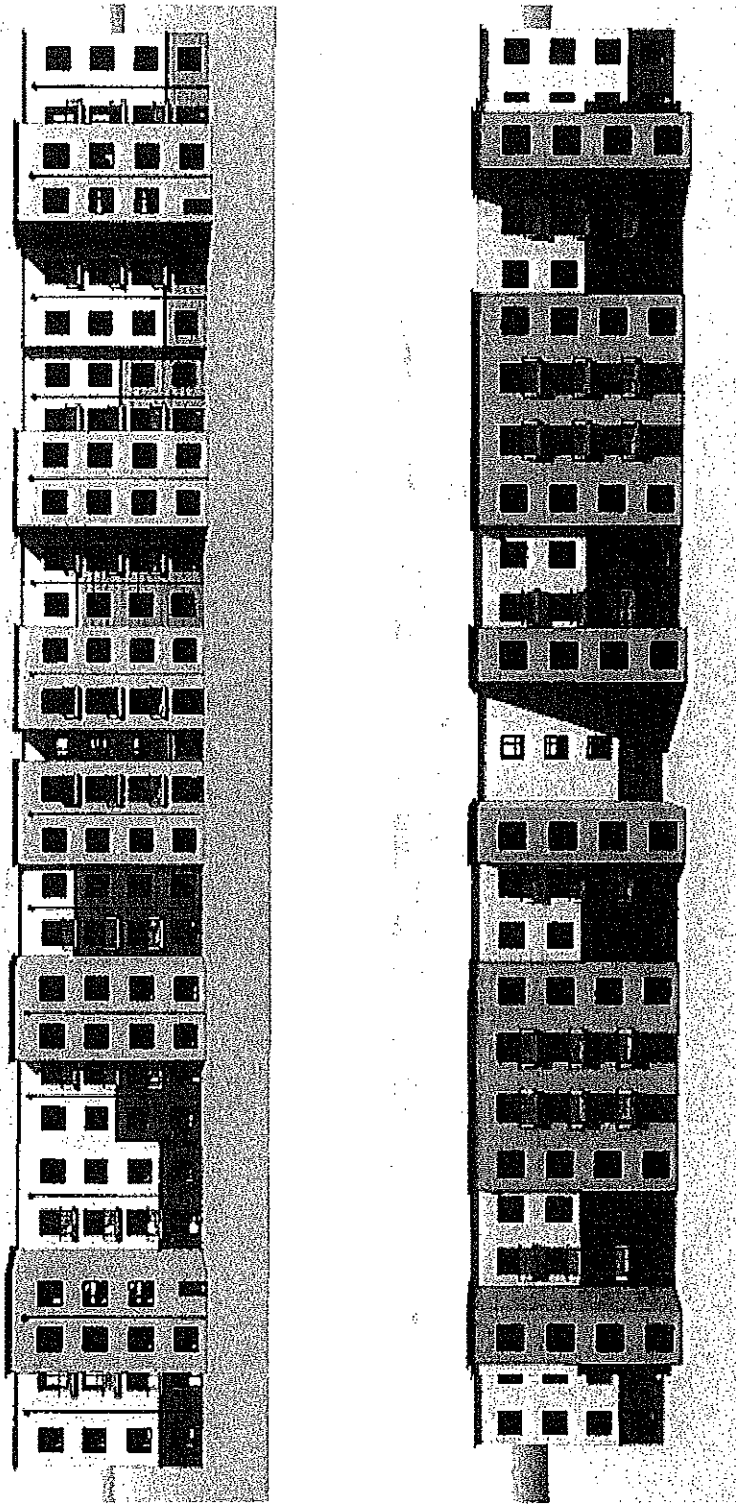
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2

THE OSCAR
BROADWAY & S BUSINESS DR.

BUILDING A EXTERIOR PERSPECTIVE

Scale 1/8"



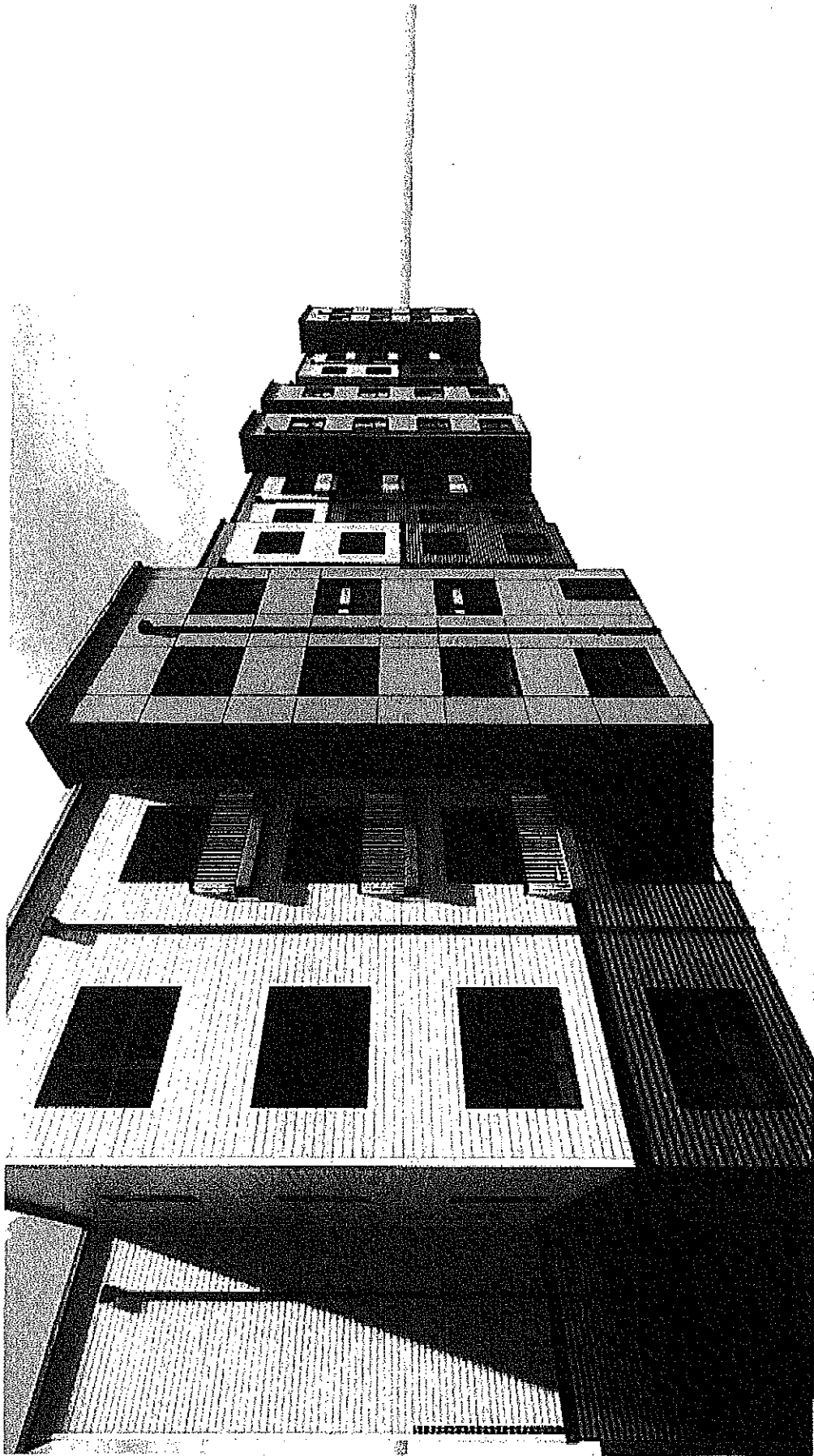
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BUILDING & EXTERIOR RENDERINGS

10/01/01



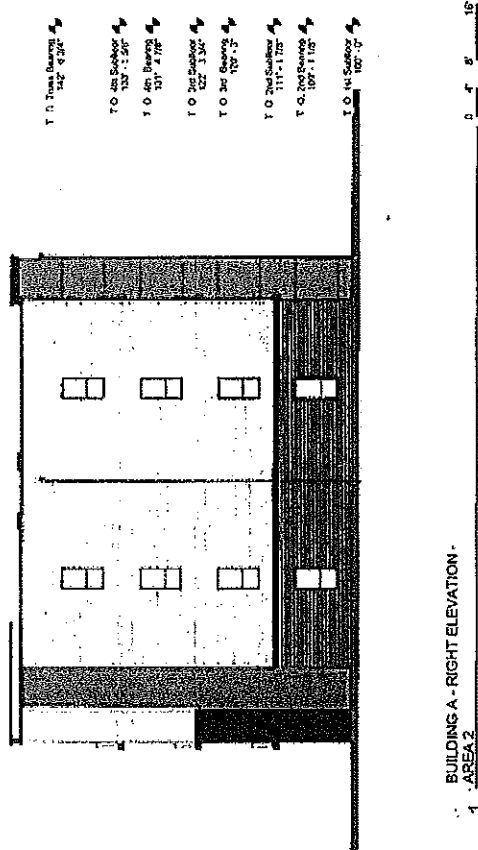
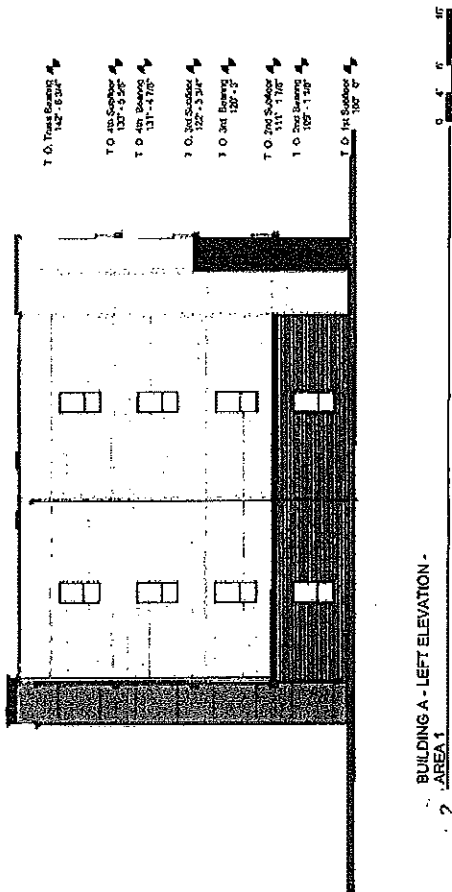
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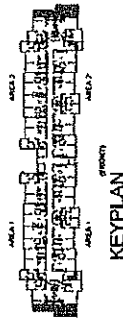
BUILDING & EXTERIOR PERSPECTIVE

3/20/11



MATERIAL LEGEND

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- 85. 1/2" THICK CERAMIC TILE, BROWN
- 86. 1/2" THICK CERAMIC TILE, BROWN
- 87. 1/2" THICK CERAMIC TILE, BROWN
- 88. 1/2" THICK CERAMIC TILE, BROWN
- 89. 1/2" THICK CERAMIC TILE, BROWN
- 90. 1/2" THICK CERAMIC TILE, BROWN
- 91. 1/2" THICK CERAMIC TILE, BROWN
- 92. 1/2" THICK CERAMIC TILE, BROWN
- 93. 1/2" THICK CERAMIC TILE, BROWN
- 94. 1/2" THICK CERAMIC TILE, BROWN
- 95. 1/2" THICK CERAMIC TILE, BROWN
- 96. 1/2" THICK CERAMIC TILE, BROWN
- 97. 1/2" THICK CERAMIC TILE, BROWN
- 98. 1/2" THICK CERAMIC TILE, BROWN
- 99. 1/2" THICK CERAMIC TILE, BROWN
- 100. 1/2" THICK CERAMIC TILE, BROWN

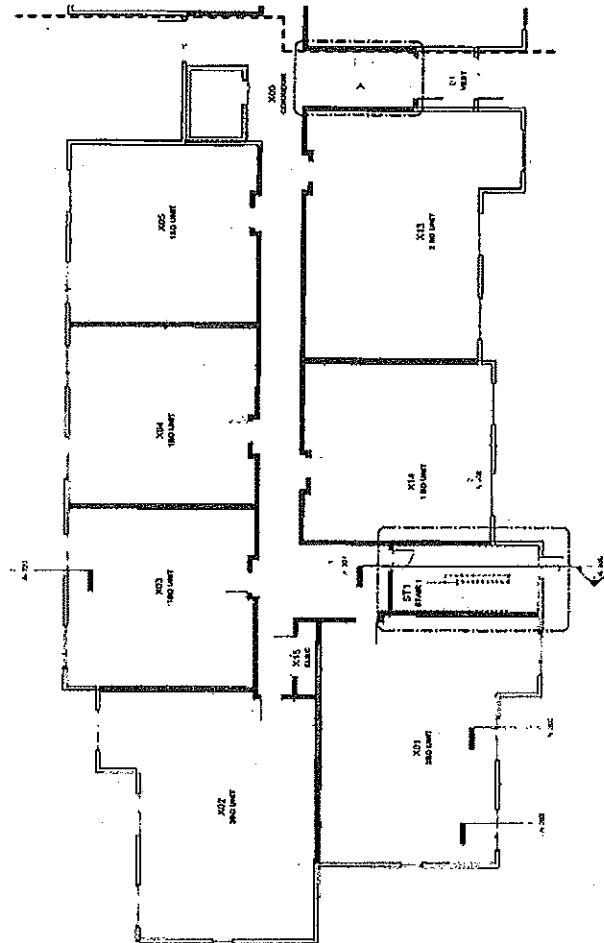


7

THE OSCAR
BROADWAY & S BUSINESS DR.



KEYPLAN



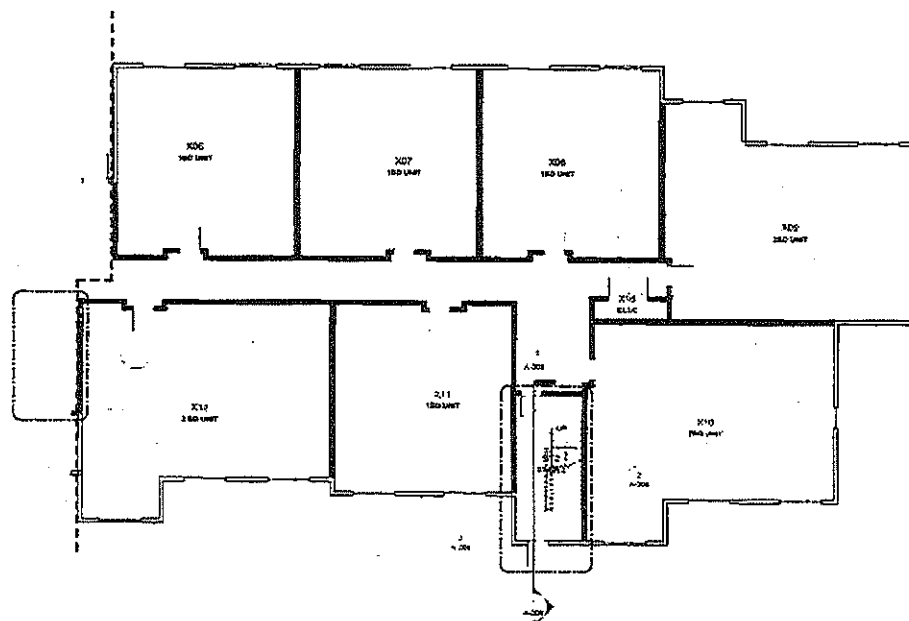
BUILDING A - FIRST FLOOR PLAN
1 AREA 1

8

THE OSCAR
BROADWAY & S BUSINESS DR.

BUILDING A FLOOR PLANS

100000



1 BUILDING A - FIRST FLOOR PLAN
- AREA 2

0 4' 8' 12'



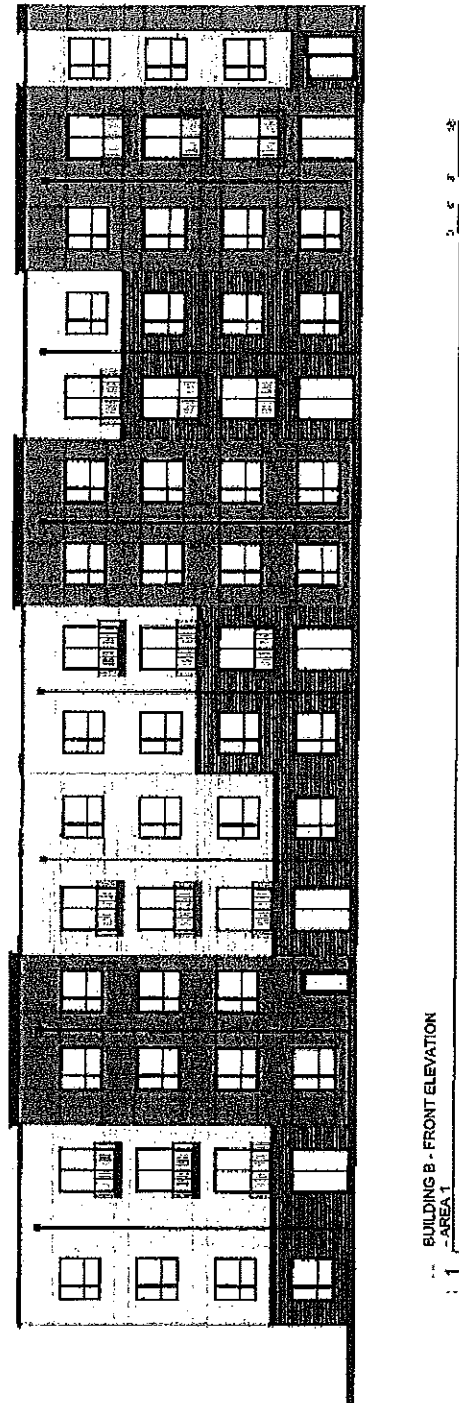
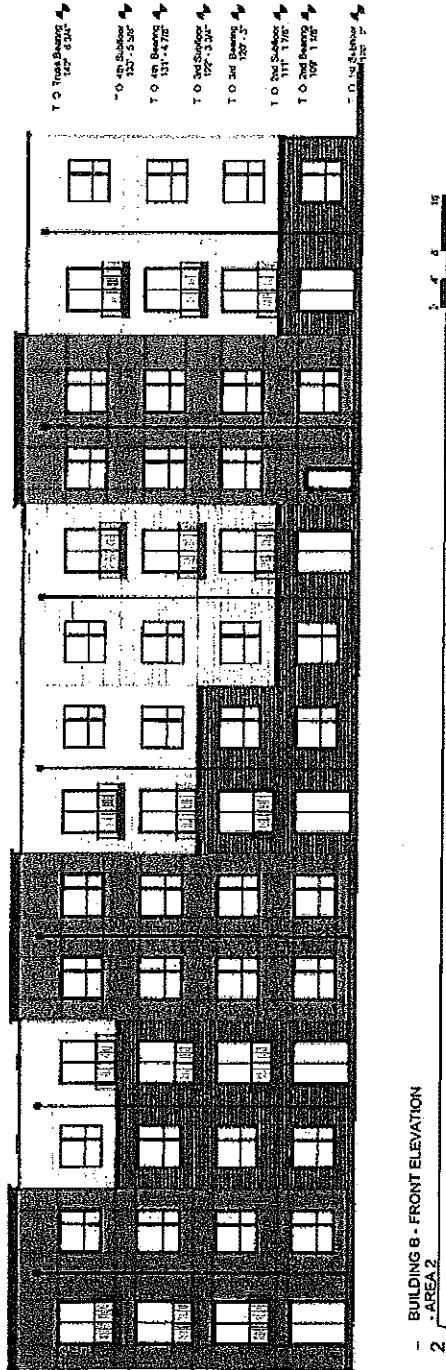
KEYPLAN

BUILDING A FLOOR PLANS
FLOOR 1

THE OSCAR
BROADWAY & S. BUSINESS DR.

9

rosemann & ASSOCIATES



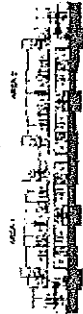
THE OSCAR
BROADWAY & S BUSINESS DR

BUILDING 8 ELEVATIONS

10

MATERIAL LEGEND

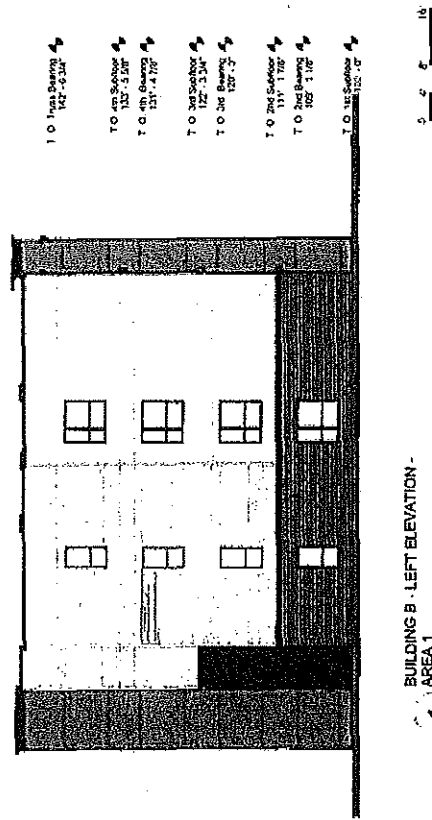
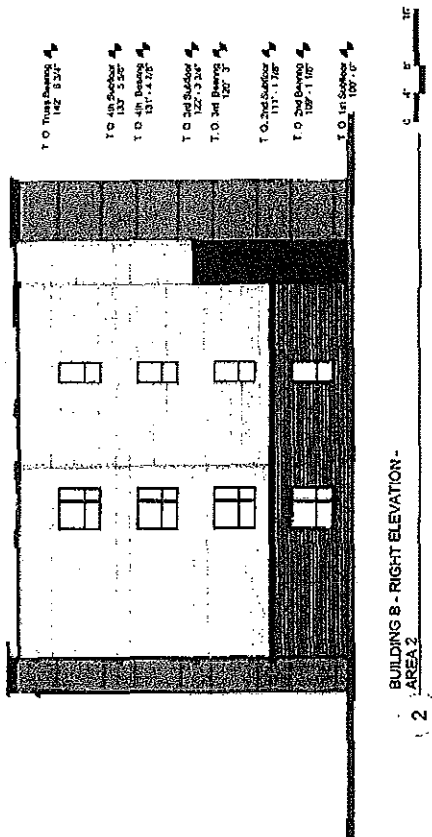
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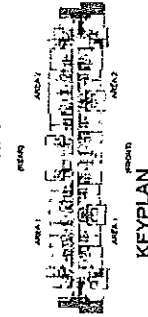


rosemann
& ASSOCIATES



MATERIAL LEGEND

- | | |
|---|-------------------------------------|
|  | 1" FINGER CLIMATE SOUND OFF (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |
|  | 7" FINGER CLIMATE SOUND (WHILE) |

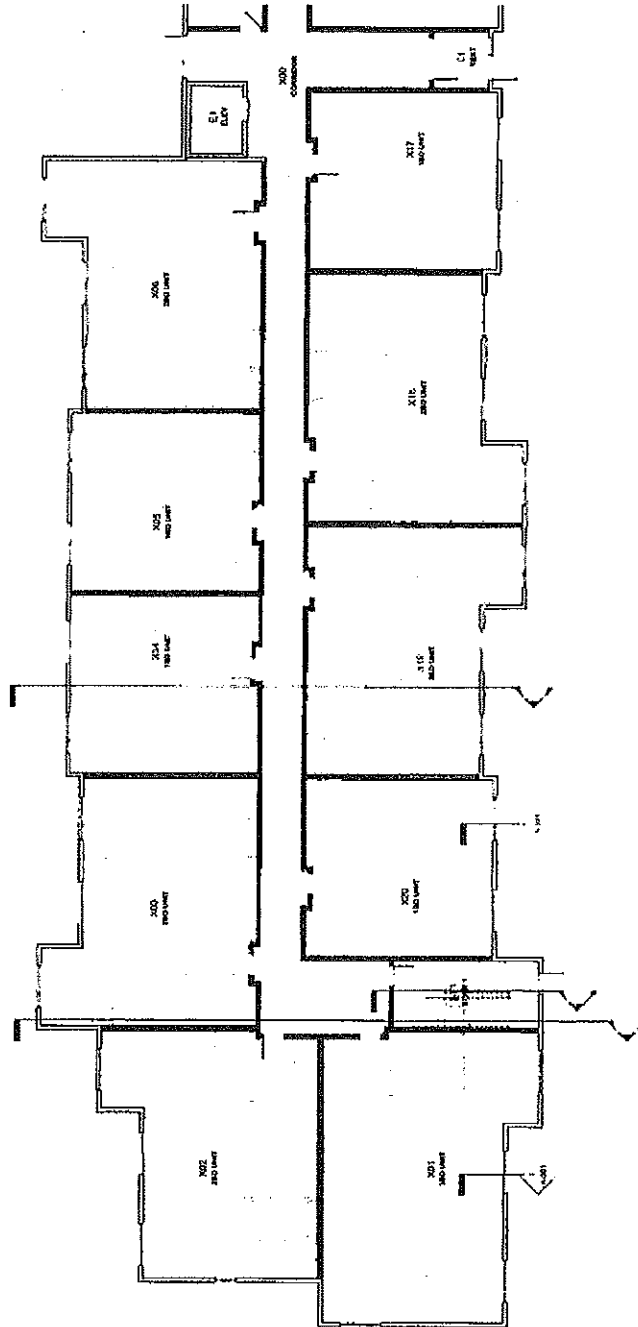


KEY PLAN

12

THE OSCAR
BROADWAY & S. BUSINESS DR.

BUILDING & ELEVATIONS:



BUILDING B - FIRST FLOOR PLAN
- AREA 1



KEY PLAN

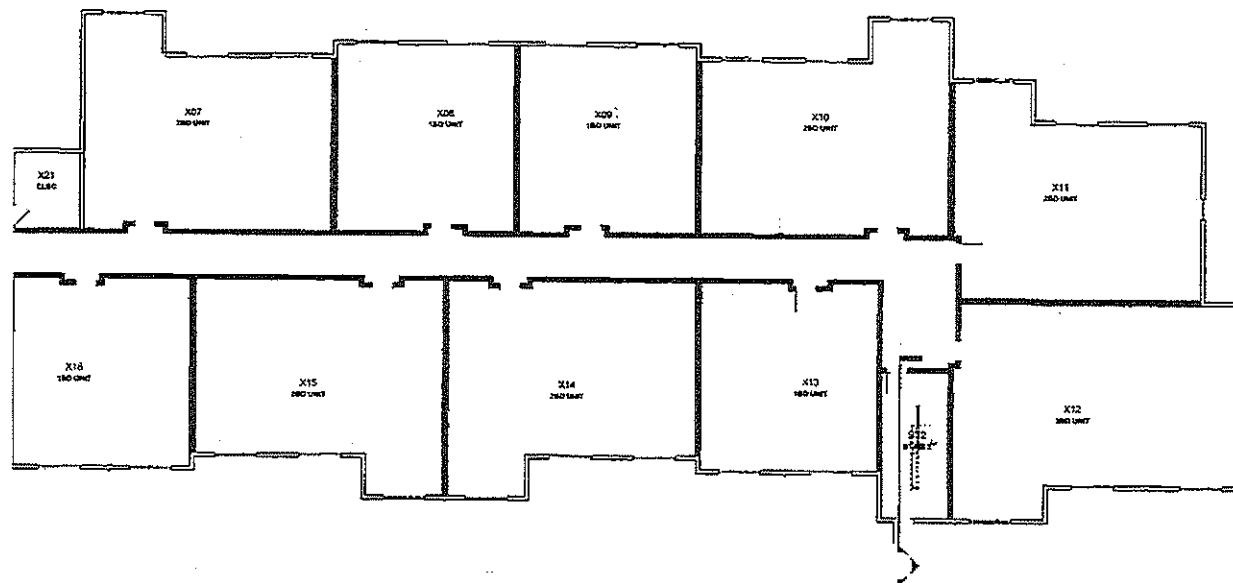


13

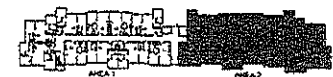
THE OSCAR
BROADWAY & S. BUSINESS DR.

BUILDING B FLOOR PLANS

SHEET



BUILDING B - FIRST FLOOR PLAN
- AREA 2



KEYPLAN

BUILDING B FLOOR PLANS
PLAN 1

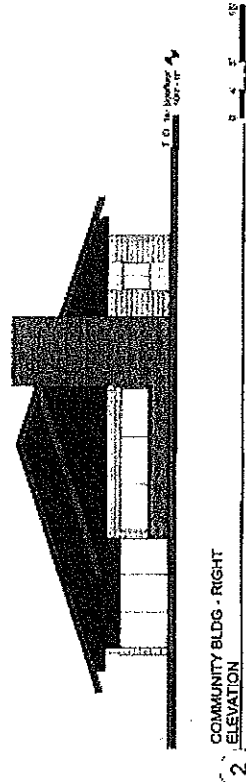
THE OSCAR
BROADWAY & S. BUSINESS DR.

14

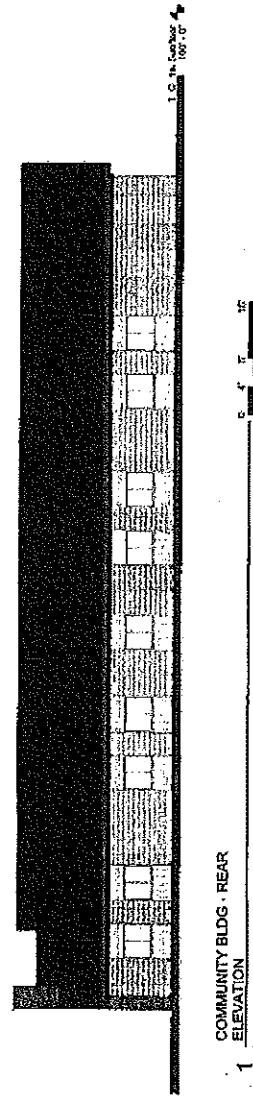
rosemann & ASSOCIATES

MATERIAL LEGEND

- 1" FINE GRIND BRICK - 400 PPM
- 3" FINE GRIND BRICK - 400 PPM
- 4" FINE GRIND BRICK - 400 PPM
- 6" FINE GRIND BRICK - 400 PPM
- 8" FINE GRIND BRICK - 400 PPM
- 10" FINE GRIND BRICK - 400 PPM
- 12" FINE GRIND BRICK - 400 PPM
- 14" FINE GRIND BRICK - 400 PPM
- 16" FINE GRIND BRICK - 400 PPM
- 18" FINE GRIND BRICK - 400 PPM
- 20" FINE GRIND BRICK - 400 PPM
- 22" FINE GRIND BRICK - 400 PPM
- 24" FINE GRIND BRICK - 400 PPM
- 26" FINE GRIND BRICK - 400 PPM
- 28" FINE GRIND BRICK - 400 PPM
- 30" FINE GRIND BRICK - 400 PPM
- 32" FINE GRIND BRICK - 400 PPM
- 34" FINE GRIND BRICK - 400 PPM
- 36" FINE GRIND BRICK - 400 PPM
- 38" FINE GRIND BRICK - 400 PPM
- 40" FINE GRIND BRICK - 400 PPM
- 42" FINE GRIND BRICK - 400 PPM
- 44" FINE GRIND BRICK - 400 PPM
- 46" FINE GRIND BRICK - 400 PPM
- 48" FINE GRIND BRICK - 400 PPM
- 50" FINE GRIND BRICK - 400 PPM
- 52" FINE GRIND BRICK - 400 PPM
- 54" FINE GRIND BRICK - 400 PPM
- 56" FINE GRIND BRICK - 400 PPM
- 58" FINE GRIND BRICK - 400 PPM
- 60" FINE GRIND BRICK - 400 PPM
- 62" FINE GRIND BRICK - 400 PPM
- 64" FINE GRIND BRICK - 400 PPM
- 66" FINE GRIND BRICK - 400 PPM
- 68" FINE GRIND BRICK - 400 PPM
- 70" FINE GRIND BRICK - 400 PPM
- 72" FINE GRIND BRICK - 400 PPM
- 74" FINE GRIND BRICK - 400 PPM
- 76" FINE GRIND BRICK - 400 PPM
- 78" FINE GRIND BRICK - 400 PPM
- 80" FINE GRIND BRICK - 400 PPM
- 82" FINE GRIND BRICK - 400 PPM
- 84" FINE GRIND BRICK - 400 PPM
- 86" FINE GRIND BRICK - 400 PPM
- 88" FINE GRIND BRICK - 400 PPM
- 90" FINE GRIND BRICK - 400 PPM
- 92" FINE GRIND BRICK - 400 PPM
- 94" FINE GRIND BRICK - 400 PPM
- 96" FINE GRIND BRICK - 400 PPM
- 98" FINE GRIND BRICK - 400 PPM
- 100" FINE GRIND BRICK - 400 PPM



COMMUNITY BLDG - REAR
ELEVATION

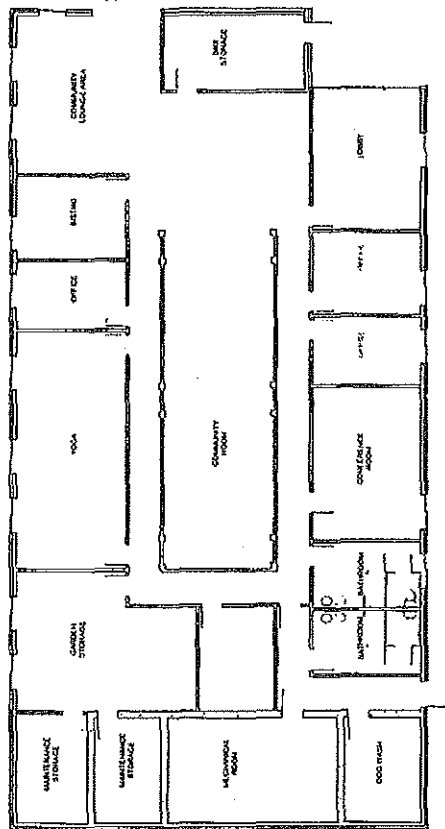


COMMUNITY BLDG - RIGHT
ELEVATION

THE OSCAR
BROADWAY & S. BUSINESS DR

COMMUNITY BUILDING ELEVATIONS

18



COMMUNITY BLDG - FLOOR
1 PLAN

0' 5' 10'

THE OSCAR
BROADWAY & S. BUSINESS DR

COMMUNITY BUILDING ELEVATIONS