

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on deeming Lajungua, LLC business development loan uncollectible.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: April 9, 2021 **MEETING DATE:** April 14, 2021

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin N/A
Statutes:
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The Redevelopment Authority executed a business development loan with Lajungua, LLC on November 9, 2016. The loan was for furniture, fixtures and equipment to be located at 502 S. 8th Street former Harvest Café site. The loan required a creation of three new permanent, full-time equivalent positions. The loan amount was \$70,000.

The loan balance as of 12/31/2019 was \$60,012.42. The last payment received was August 17, 2018. The Redevelopment Authority previously took action for the City Attorney to file a judgment for payment. In July 2020, the personal guarantors on the loan filed Chapter 7 bankruptcy.

STAFF COMMENTS:

Based on the bankruptcy filing, the City Attorney's office is recommending the RDA take action that to deem this loan uncollectible and directing the Finance Department to write-off the loan and remove from their loans balance sheet.

ACTION REQUESTED:

Motion to deem the loan uncollectible and directing the Finance Department to write-off the remaining balance.

ATTACHMENTS:

- I. None

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on request from the Blue Harbor Resort Condominium Association, Inc. to grant a waiver and release of the limitation of continuous occupancy for 29 days at the Blue Harbor Condominiums.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: April 9, 2021 **MEETING DATE:** April 14, 2021

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin N/A
Statutes:
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The last discussion on this item was in February 2021. The Redevelopment Authority recommended the Condominium Association to complete a study of the building and HVAC codes to verify that the buildings were constructed to meet the codes necessary to change the buildings to longer than 29-day stays.

The Condo Association hired Aspire Architecture and Design, LLC. to review the codes. Based on the 2015 International Building Code (IBC), R1 use is for uses up to 28 days of occupancy and R2 use is for more than 28 consecutive days. Based on a number of General Building Heights, Fire and Smoke Detection, Fire alarm and sprinklers, exiting, accessibility and HVAC, the architect has confirmed that the building was constructed to meet the codes of an R2 structure. The City Building Inspector also reviewed the Architects findings and concurs with them.

Just a little review from the last time the Redevelopment Authority met to discuss this:

The City Assessor Mike Grota predicts the value of the condos would double from the 2020 assessment of \$5.3 million to \$10.6 million if the restriction was removed. Total property tax payments would go from approximately \$129,600 to \$259,300 based on the 2021 mill rate.

Room tax collected would be similar.

At this point, the city staff does not find any further issues with proceeding with granting the waiver.

STAFF COMMENTS:

None

ACTION REQUESTED:

Motion(s) as determined by Authority.

ATTACHMENTS:

I. None

ASSIGNMENT OF RENTS

DOCUMENT NUMBER:

RETURN ADDRESS:

Denmark State Bank
Sheboygan Branch
103 E Main Street
PO Box 130
Denmark, WI 54208-0130

PARCEL I.D. NUMBER: 59281109510

THIS ASSIGNMENT OF RENTS dated March 29, 2021, is made and executed between 539 Riverfront LLC (referred to below as "Grantor") and Denmark State Bank, whose address is 103 E Main Street, PO Box 130, Denmark, WI 54208-0130 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Sheboygan County, State of Wisconsin:

Part of Blocks One Hundred Seventy-nine (179), One Hundred Eighty (180) and Three Hundred Thirteen (313) and various vacated streets and alleys, Original Plat, according to the recorded Plat thereof, in the City of Sheboygan, Sheboygan County, Wisconsin, described as follows:

Commencing at the Southeast corner of Block 181, Original Plat, in the City of Sheboygan; thence South 89°59'11" East, 66.00 feet to a point on the East right-of-way line of South Franklin Street, said point being the point of beginning; thence from said point of beginning, the following bearings and distances along said East line; thence North 00°09'55" West, 84.13 feet to a point of radius of curvature; Northeasterly, along the arc of a curve to the right, 361.27 feet, said curve having a radius of 252.00 feet and a main chord which bears North 40°54'15" East, 331.12 feet to a point of tangency, North 81°58'25" East, 36.11 feet to a point of curvature; Northeasterly, along the arc of a curve to the left, 245.48 feet (sometimes described, of record, as 246.05 feet) said curve having a radius of 221.00 feet and a main chord which bears North 50°04'41" East 233.54 feet; thence South 88°18'09" East 47.02 feet; thence South 01°18'04" West 97.80 feet; thence South 02°48'37" East 51.64 feet; thence South 40°05'32" West 32.66 feet; thence South 85°07'12" West 20.49 feet; thence South 05°06'45" East 20.05 feet; thence South 40°26'04" West 53.05 feet; thence South 34°24'03" West 62.22 feet; thence South 78°04'05" West 20.49 feet; thence South 10°51'01" East 20.31 feet; thence South 34°06'38" West 113.89 feet; thence South 78°57'06" West 19.53 feet (sometimes described erroneously, of record, as 39.53 feet); thence South 08°33'46" East 20.27 feet; thence South 34°23'40" West 70.30 feet to a point on the North line of Virginia Avenue; thence North 89°58'11" West (recorded as South 89°50'05" West) along said North line, 233.56 feet to the point of beginning.

Excepting therefrom the follows parcels: Being a part of the Lots One (1), Two (2), Three (3), Four (4) and Five (5), Block One Hundred Seventy-nine (179), and parts of Lots Five (5) and Six (6) of Block One Hundred Eighty (180), Original Plat of the City of Sheboygan and vacated Franklin Street further described as follows: Beginning at the East line of Riverfront Drive and the North line of Virginia Avenue; thence North 01°29'11" West 84.13 feet along said East line; thence North 88°42'33" East 291.24 feet; thence South 32°47'22" West 2.79 feet; thence South 77°37'50" West 19.53 feet; thence South 09°53'02"

**ASSIGNMENT OF RENTS
(Continued)**

East 20.27 feet; thence South 33°04'24" West 70.30 feet to said North line; thence South 88°42'33" West 233.56 feet along said North line to the point of beginning; And Commencing at the East line of Riverfront Drive and the North line of Virginia Avenue; thence North 01°29'11" West 84.13 feet to the point of beginning; thence Northeasterly along a curve having a chord bearing of North 06°34'25" East; said curve having a radius of 252.0 feet, on arc length of 70.90 feet and a chord length of 70.66 feet; thence North 88°42'33" East 328.93 feet; thence South 32°47'22" West 84.52 feet; thence South 88°42'33" West 291.24 feet to the point of beginning.

The Property or its address is commonly known as 539 Riverfront Dr, Sheboygan , WI 53081. The Property tax identification number is 59281109510.

CROSS-COLLATERALIZATION. In addition to the Note, this Assignment secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority, acting alone, to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of Wisconsin and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's

ASSIGNMENT OF RENTS (Continued)

name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of any Event of Default.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Borrower or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Rents or any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

ASSIGNMENT OF RENTS (Continued)

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness or as the court may direct. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Wisconsin without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of Wisconsin.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Brown County, State of Wisconsin.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Assignment. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Assignment.

Merger. There shall be no merger of the interest or estate created by this Assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such

ASSIGNMENT OF RENTS (Continued)

consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means 539 Riverfront LLC, Thomas M Schafer and Paul S Gottsacker.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

Grantor. The word "Grantor" means 539 Riverfront LLC.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and, to the extent not prohibited by law any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Assignment.

Lender. The word "Lender" means Denmark State Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated March 29, 2021, **in the original principal amount of \$355,000.00** from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

LANDLORD'S ESTOPPEL CERTIFICATE

DOCUMENT NUMBER:

RETURN ADDRESS:

Denmark State Bank
Sheboygan Branch
103 E Main Street
PO Box 130
Denmark, WI 54208-0130

PARCEL I.D. NUMBER: 59281109510

THIS LANDLORD'S ESTOPPEL CERTIFICATE dated March 29, 2021, is made and executed among 539 Riverfront LLC ("Grantor"); Denmark State Bank, Sheboygan Branch, 103 E Main Street, PO Box 130, Denmark, WI 54208-0130 ("Lender"); and The Redevelopment Authority of Sheboygan, Wisconsin; 828 Center Ave Suite 208; Sheboygan, WI 53081 ("Landlord").

Grantor and Lender have entered into, or are about to enter into, a financial transaction whereby Lender has acquired or will acquire a security interest or other lien on Grantor's interest in the Property described below.

To induce Lender to extend one or more loans or other financial accommodations to Borrower against such security interest in the Property and for other valuable consideration, with knowledge that Lender is relying thereon, Landlord and Grantor hereby agree with Lender as follows:

THE LEASE. Landlord has leased the Property to Grantor pursuant to a lease (the "Lease") dated October 30, 1987, which was recorded as follows: recorded December 08, 1987 in Volume 1069 of Records, Page 533 as No. 1162454. The following information is a summary of the basic terms and conditions of the Lease: by and between The Redevelopment Authority of Sheboygan and 539 Riverfront LLC.

REAL PROPERTY DESCRIPTION. The Lease covers the following described real property, together with all improvements thereon (the "Real Property") located in Sheboygan County, State of Wisconsin:

Part of Blocks One Hundred Seventy-nine (179), One Hundred Eighty (180) and Three Hundred Thirteen (313) and various vacated streets and alleys, Original Plat, according to the recorded Plat thereof, in the City of Sheboygan, Sheboygan County, Wisconsin, described as follows:

Commencing at the Southeast corner of Block 181, Original Plat, in the City of Sheboygan; thence South 89°59'11" East, 66.00 feet to a point on the East right-of-way line of South Franklin Street, said point being the point of beginning; thence from said point of beginning, the following bearings and distances along said East line; thence North 00°09'55" West, 84.13 feet to a point of radius of curvature; Northeasterly, along the arc of a curve to the right, 361.27 feet, said curve having a radius of 252.00 feet and a main chord which bears North 40°54'15" East, 331.12 feet to a point of tangency, North 81°58'25" East, 36.11 feet to a point of curvature; Northeasterly, along the arc of a curve to the left, 245.48 feet (sometimes described, of record, as 246.05 feet) said curve having a radius of 221.00 feet and a main chord which bears North 50°04'41" East 233.54 feet; thence South 88°18'09" East 47.02 feet; thence South 01°18'04" West 97.80 feet; thence South 02°48'37" East 51.64 feet; thence South 40°05'32" West 32.66 feet; thence South 85°07'12" West 20.49 feet; thence South 05°06'45" East 20.05 feet; thence South 40°26'04" West 53.05 feet; thence South 34°24'03" West 62.22 feet; thence South 78°04'05" West 20.49 feet; thence South 10°51'01" East 20.31 feet; thence South 34°06'38" West 113.89 feet; thence South 78°57'06" West 19.53 feet (sometimes described erroneously, of record, as 39.53 feet); thence South 08°33'46" East 20.27 feet; thence South 34°23'40" West 70.30 feet to a point on the North line of Virginia Avenue; thence North 89°58'11" West (recorded as South 89°50'05" West) along said North line, 233.56 feet to the point of beginning.

Excepting therefrom the follows parcels: Being a part of the Lots One (1), Two (2), Three (3), Four (4) and Five (5), Block One Hundred Seventy-nine (179), and parts of Lots Five (5) and Six (6) of Block One Hundred Eighty (180), Original Plat of the City of Sheboygan and vacated Franklin Street further described as follows: Beginning at the East line of Riverfront Drive and the North line of Virginia Avenue; thence North 01°29'11" West 84.13 feet along said East line; thence North 88°42'33" East 291.24 feet; thence South 32°47'22" West 2.79 feet; thence South 77°37'50" West 19.53 feet; thence South 09°53'02" East 20.27 feet; thence South 33°04'24" West 70.30 feet to said North line; thence South 88°42'33" West 233.56 feet along said North line to the point of beginning; And Commencing at the East line of Riverfront Drive and the North line of Virginia Avenue; thence North 01°29'11" West 84.13 feet to the point of beginning; thence Northeasterly along a curve having a chord bearing of North 06°34'25" East; said curve having a radius of 252.0 feet, on arc length of 70.90 feet and a chord length of 70.66 feet; thence North 88°42'33" East

DOCUMENT NUMBER:

RETURN ADDRESS:

Denmark State Bank
Sheboygan Branch
103 E Main Street
PO Box 130
Denmark, WI 54208-0130

PARCEL I.D. NUMBER: 59281109510

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE COLLATERAL BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT AND ESTOPPEL CERTIFICATE

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT dated March 29, 2021 ("Agreement"), is made and executed among The Redevelopment Authority of Sheboygan, Wisconsin, whose address is 828 Center Ave Suite 208, Sheboygan, WI 53081 ("Landlord"); 539 Riverfront LLC, whose address is 2551 N Wahl Ave, Milwaukee, WI 53211-3825 ("Tenant"); and Denmark State Bank, Sheboygan Branch, 103 E Main Street, PO Box 130, Denmark, WI 54208-0130 ("Lender").

SUBORDINATED LEASE. Tenant and Landlord have executed a lease dated October 30, 1987 of the property described herein which was recorded as follows: recorded December 08, 1987 in Volume 1069 of Records, Page 533 as No. 1162454 (the "Lease"). The following information is the summary of the basic terms and conditions of the Subordinated Lease: by and between The Redevelopment Authority of Sheboygan and 539 Riverfront LLC.

REAL PROPERTY DESCRIPTION. The Lease covers parcel of land directly Southwest and adjacent of Rotary Riverfront Park on the Sheboygan River of the following described real property (the "Real Property") located in Sheboygan County, State of Wisconsin:

Part of Blocks One Hundred Seventy-nine (179), One Hundred Eighty (180) and Three Hundred Thirteen (313) and various vacated streets and alleys, Original Plat, according to the recorded Plat thereof, in the City of Sheboygan, Sheboygan County, Wisconsin, described as follows:

Commencing at the Southeast corner of Block 181, Original Plat, in the City of Sheboygan; thence South 89°59'11" East, 66.00 feet to a point on the East right-of-way line of South Franklin Street, said point being the point of beginning; thence from said point of beginning, the following bearings and distances along said East line; thence North 00°09'55" West, 84.13 feet to a point of radius of curvature; Northeasterly, along the arc of a curve to the right, 361.27 feet, said curve having a radius of 252.00 feet and a main chord which bears North 40°54'15" East, 331.12 feet to a point of tangency, North 81°58'25" East, 36.11 feet to a point of curvature; Northeasterly, along the arc of a curve to the left, 245.48 feet (sometimes described, of record, as 246.05 feet) said curve having a radius of 221.00 feet and a main chord which bears North 50°04'41" East 233.54 feet; thence South 88°18'09" East 47.02 feet; thence South 01°18'04" West 97.80 feet; thence South 02°48'37" East 51.64 feet; thence South 40°05'32" West 32.66 feet; thence South 85°07'12" West 20.49 feet; thence South 05°06'45" East 20.05 feet; thence South 40°26'04" West 53.05 feet; thence South 34°24'03" West 62.22 feet; thence South 78°04'05" West 20.49 feet; thence South 10°51'01" East 20.31 feet; thence South 34°06'38" West 113.89 feet; thence South 78°57'06" West 19.53 feet (sometimes described

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT
(Continued)**

Page 2

erroneously, of record, as 39.53 feet); thence South 08°33'46" East 20.27 feet; thence South 34°23'40" West 70.30 feet to a point on the North line of Virginia Avenue; thence North 89°58'11" West (recorded as South 89°50'05" West) along said North line, 233.56 feet to the point of beginning.

Excepting therefrom the follows parcels: Being a part of the Lots One (1), Two (2), Three (3), Four (4) and Five (5), Block One Hundred Seventy-nine (179), and parts of Lots Five (5) and Six (6) of Block One Hundred Eighty (180), Original Plat of the City of Sheboygan and vacated Franklin Street further described as follows: Beginning at the East line of Riverfront Drive and the North line of Virginia Avenue; thence North 01°29'11" West 84.13 feet along said East line; thence North 88°42'33" East 291.24 feet; thence South 32°47'22" West 2.79 feet; thence South 77°37'50" West 19.53 feet; thence South 09°53'02" East 20.27 feet; thence South 33°04'24" West 70.30 feet to said North line; thence South 88°42'33" West 233.56 feet along said North line to the point of beginning; And Commencing at the East line of Riverfront Drive and the North line of Virginia Avenue; thence North 01°29'11" West 84.13 feet to the point of beginning; thence Northeasterly along a curve having a chord bearing of North 06°34'25" East; said curve having a radius of 252.0 feet, on arc length of 70.90 feet and a chord length of 70.66 feet; thence North 88°42'33" East 328.93 feet; thence South 32°47'22" West 84.52 feet; thence South 88°42'33" West 291.24 feet to the point of beginning.

The Real Property or its address is commonly known as 539 Riverfront Dr, Sheboygan , WI 53081. The Real Property tax identification number is 59281109510.

SUPERIOR INDEBTEDNESS. Lender has extended or has agreed to extend the following described financial accommodations to 539 Riverfront LLC, Paul S Gottsacker and Thomas M Schafer, secured by the Real Property (the "Superior Indebtedness"):

debt was incurred in order to purchase the property.

LENDER'S LIEN. The Superior Indebtedness is or will be secured by the Real Property and evidenced by a mortgage, dated March 29, 2021, from 539 Riverfront LLC to Lender (the "Lender's Lien"). As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Lease and all of Tenant's rights in the Real Property ("Lease Rights").

REQUESTED FINANCIAL ACCOMMODATIONS. Landlord and Tenant each want Lender to provide financial accommodations to 539 Riverfront LLC, Paul S Gottsacker and Thomas M Schafer in the form of the Superior Indebtedness. Landlord and Tenant each represent and acknowledge to Lender that Landlord and Tenant will benefit as a result of these financial accommodations from Lender to 539 Riverfront LLC, Paul S Gottsacker and Thomas M Schafer, and Landlord and Tenant acknowledge receipt of valuable consideration for entering into this Agreement.

IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY AND RECEIPT OF WHICH ARE HEREBY ACKNOWLEDGED, LENDER, LANDLORD, AND TENANT HEREBY AGREE AS FOLLOWS:

ESTOPPEL CERTIFICATE. Tenant hereby certifies to and agrees with Lender that as of the date of this Agreement, Lender is relying on all of the following certifications and agreements of Tenant as consideration for Lender executing this Agreement:

- (A) The Lease is in full force and effect and is the valid and binding obligation of Tenant, enforceable in accordance with its terms.
- (B) All requirements for the commencement and validity of the Lease have been satisfied.
- (C) Neither Tenant nor Landlord is in default under the Lease and no event has occurred and no condition exists, which with the giving of notice, the passage of time, or both, would constitute a default by Tenant or Landlord under the Lease.
- (D) There are no defenses, counterclaims or setoffs against rents or charges due or which may become due under the Lease and no claim by Tenant of any nature exists against Landlord under the Lease. All obligations of Landlord have been fully performed.
- (E) None of the rent, which Tenant is required to pay under the Lease, has been prepaid, or will in the future be prepaid, more than one month in advance.
- (F) The Lease shall not after the date of this Agreement be modified, terminated, or amended, without the prior written consent of Lender for any termination and each such amendment or modification. Any attempted modification, termination, or amendment without the prior written consent of Lender shall be void.
- (G) Tenant has not assigned, mortgaged, sublet, encumbered or otherwise transferred any or all of its interest under the Lease and, during the term of the Loan, agrees to not assign, mortgage, sublet, encumber, or otherwise transfer any or all of its interest under the Lease without the prior written consent of Lender.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT (Continued)

SUBORDINATION. Notwithstanding anything in the Lease to the contrary, the parties acknowledge and agree that the Lease and Lease Rights are and shall be subject and subordinate in right, interest and lien, and for all purposes, to Lender's Lien, and to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any subsequent lien of the Lender with which Lender's Lien may be spread or consolidated, to the full extent of the principal sum and all other amounts secured thereby and interest thereon. Tenant will not cause the Lease to be subordinated to any interests other than those held by or made for the benefit of Lender, and its successors and assigns, without the prior written consent of Lender.

NON-DISTURBANCE. So long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default of the Loan under the Note and/or under Lender's Lien unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action. If the Lease has not been terminated, then, when Lender succeeds to the interest of Landlord, the Lender shall not terminate or disturb Tenant's possession of Tenant's premises under the Lease, except in accordance with the terms of the Lease and this Agreement.

ATTORNMENMENT. If Lender shall succeed to the interest of the Landlord under the Lease, and the Lease shall not have expired or been terminated in accordance with the terms of the Lease or this Agreement, Tenant shall, from and after such event, attorn to Lender, all rights and obligations under the Lease to continue as though the interest of Landlord had not terminated. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Lender, any instrument or certificate which, in the sole judgment of Lender, may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment.

NO LIABILITY FOR LENDER. Lender in the event of attornment shall have the same remedies in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of annual base rent or additional rent or in the performance of any of the terms, covenants, and conditions of the Lease on Tenant's part to be performed that are available to Landlord under the Lease. Tenant shall have the same remedies against Lender for the breach of an agreement contained in the Lease that Tenant might have had against Landlord if Lender had not succeeded to the interest of Landlord; provided, however, that Lender shall not be:

- (A) Liable for any act or omission of or any claims against any prior landlord, including Landlord; or
- (B) Subject to any offsets or defenses which Tenant might have against any prior landlord, including Landlord; or
- (C) Bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord, including Landlord; or
- (D) Bound by any amendment or modification of the Lease, or waiver of any of its terms, made without its consent; or
- (E) Liable for any sum that any prior landlord, including Landlord, owed to Tenant, including without limitation any security deposit, unless the amount owed was actually delivered to Lender; or
- (F) Bound by any surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant; or
- (G) Liable for any construction obligation of any prior landlord, including Landlord; or
- (H) Liable for any breach of representation or warranty of any prior landlord, including Landlord.

NEW LEASE. If Lender shall succeed to the interest of the Landlord under the Lease, upon the written request of Lender to Tenant, Tenant shall execute and deliver to Lender a lease of the Real Property upon the same terms and conditions as the Lease between Landlord and Tenant, which lease shall cover any unexpired term of the Lease existing prior to such transfer.

ACKNOWLEDGMENT AND AGREEMENT BY LANDLORD. Landlord, as landlord under the Lease, acknowledges and agrees for itself and its heirs, successors and assigns to each of the following:

- (A) This Agreement does not in any way release Landlord from its obligations to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Note, Lender's Lien or any other documents executed in connection with the Loan.
- (B) In the event of a default under the Note, or any of the other documents executed in connection with the Loan, Landlord hereby consents to Tenant's attornment to Lender and, upon such event, Tenant shall pay all rent and all other sums due under the Lease to Lender as provided in the Lease.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (Continued)

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Landlord also will pay any court costs, in addition to all other sums provided by law.

Authority. Any person who signs this Agreement on behalf of Landlord and Tenant represents and warrants that he or she has authority to execute this Agreement.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Counterparts. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Wisconsin without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Wisconsin.

Choice of Venue. If there is a lawsuit, Landlord agrees upon Lender's request to submit to the jurisdiction of the courts of Brown County, State of Wisconsin.

Notices. Any notice required to be given under this Agreement shall be given in writing, and, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing among Lender, Landlord, and Tenant shall constitute a waiver of any of Lender's rights or of any of Landlord's and/or Tenant's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement.

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT
(Continued)**

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MARCH 29, 2021.

LANDLORD:

THE REDEVELOPMENT AUTHORITY OF SHEBOYGAN, WISCONSIN

By: _____
Roberta Filicky-Penski, Chair of the Authority of The Redevelopment Authority of Sheboygan, Wisconsin

By: _____
Chad Pelishek, Executive Director of The Redevelopment Authority of Sheboygan, Wisconsin

LENDER:

DENMARK STATE BANK

X _____
Max Scheuer, Business Banker

TENANT:

539 RIVERFRONT LLC

By: _____
Thomas M Schafer, Member of 539 Riverfront LLC

By: _____
Paul S Gottsacker, Member of 539 Riverfront LLC

This Subordination, Non-Disturbance and Attornment Agreement was drafted by: Christina M Bienapfl

Complete either Authentication Section or Acknowledgment Section

AUTHENTICATION

Signature(s) of The Redevelopment Authority of Sheboygan, Wisconsin authenticated this _____ day of _____, 20_____.

Title: Member State Bar of Wisconsin or
authorized under Section 706.06, Wis. Stats.

LANDLORD'S RELEASE AND CONSENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	04-14-2021	04-14-2024	1029160	11		53	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: Mackximus LLC
6421 N Hyacinth Ln
Glendale, WI 53217

Lender: Oostburg State Bank
Main Office
905 Center Avenue
PO Box 700198
Oostburg, WI 53070
(920) 564-2336

THIS LANDLORD'S RELEASE AND CONSENT is entered into among Mackximus LLC ("Borrower"), whose address is 6421 N Hyacinth Ln, Glendale, WI 53217; Oostburg State Bank ("Lender"), whose address is Main Office, 905 Center Avenue, PO Box 700198, Oostburg, WI 53070; and Redevelopment Authority of the City of Sheboygan ("Landlord"), whose address is 807 Center Avenue, Sheboygan, WI 53081. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows.

COLLATERAL DESCRIPTION. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest, including without limitation the following specific property:

528-530 South Pier Drive and 534-538 South Pier Drive, Sheboygan, WI 53081 (see attached legal descriptions)

BORROWER'S ASSIGNMENT OF LEASE. Borrower hereby assigns to Lender all of Borrower's rights in the Lease, as partial security for the Loan. The parties intend that this assignment will be a present transfer to Lender of all of Borrower's rights under the Lease, subject to Borrower's rights to use the Premises and enjoy the benefits of the Lease while not in default on the Loan or Lease. Upon full performance by Borrower under the Loan, this assignment shall be ended, without the necessity of any further action by any of the parties. This assignment includes all renewals of and amendments to the Lease or the Loan, until the Loan is paid in full. No amendments may be made to the Lease without Lender's prior written consent, which shall not be unreasonably withheld or delayed.

CONSENT OF LANDLORD. Landlord consents to the above assignment. If Borrower defaults under the Loan or the Lease, Lender may reassign the Lease, and Landlord agrees that Landlord's consent to any such reassignment will not be unreasonably withheld or delayed. So long as Lender has not entered the Premises for the purpose of operating a business, Lender will have no liability under the Lease, including without limitation liability for rent. Whether or not Lender enters into possession of the Premises for any purpose, Borrower will remain fully liable for all obligations of Borrower as lessee under the Lease. While Lender is in possession of the Premises, Lender will cause all payments due under the Lease and attributable to that period of time to be made to Landlord. If Lender later reassigns the Lease or vacates the Premises, Lender will have no further obligation to Landlord.

LEASE DEFAULTS. Both Borrower and Landlord agree and represent to Lender that, to the best of their knowledge, there is no breach or offset existing under the Lease or under any other agreement between Borrower and Landlord. Landlord agrees not to terminate the Lease, despite any default by Borrower, without giving Lender written notice of the default and an opportunity to cure the default within a period of sixty (60) days from the receipt of the notice. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy, or other judicial proceedings against Borrower), then Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which Lender is in possession of the Premises, or so long as Lender reassigns the Lease to a new lessee reasonably satisfactory to Landlord.

DISCLAIMER OF INTEREST. Landlord hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ONTO PREMISES. Landlord and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement: This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin. If Landlord is other than an individual, any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors on the Loan, or any Collateral for the Loan; including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness.

AMENDMENTS. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

NO WAIVER BY LENDER. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Landlord, shall constitute a waiver of any of Lender's rights or of any of Landlord's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute

**LANDLORD'S RELEASE AND CONSENT
(Continued)**

continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

SEVERABILITY. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Landlord's Release and Consent, as this Landlord's Release and Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Release and Consent from time to time.

Borrower. The word "Borrower" means Mackximus LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Borrower's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Landlord. The word "Landlord" means Redevelopment Authority of the City of Sheboygan, and is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor or lienholder, or that of any other holder of an interest in the Premises which may be, or may become, prior to the interest of Lender.

Lease. The word "Lease" means that certain lease of the Premises, dated March 18, 2021, between Landlord and Borrower..

Lender. The word "Lender" means Oostburg State Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced.

Note. The word "Note" means the Note dated April 14, 2021 and executed by Mackximus LLC in the principal amount of \$226,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Premises. The word "Premises" means the real property located in Sheboygan County, State of Wisconsin, commonly known as 528-530 South Pier Drive and 534-538 South Pier Drive, Sheboygan, WI 53081.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

BORROWER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S RELEASE AND CONSENT, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED APRIL 14, 2021.

BORROWER:

MACKXIMUS LLC

By: _____
Kyle Mack, Member of Mackximus LLC

LANDLORD:

REDEVELOPMENT AUTHORITY OF THE CITY OF SHEBOYGAN

By: _____
Authorized Signer for Redevelopment Authority of the City of Sheboygan

By: _____
Authorized Signer for Redevelopment Authority of the City of Sheboygan

LENDER:

OOSTBURG STATE BANK

X _____
Landon Turner, Business Banking Officer

This Landlord's Release and Consent was drafted by: _____