

COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT

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

RECITALS:

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

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

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

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

TERMS, CONDITIONS, AND PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

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

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

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

[SIGNATURE PAGES TO FOLLOW]

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

ASSIGNOR:

OSCAR APARTMENTS LLC,
a Delaware limited liability company

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

Its: Manager

By: _____

Name: Joshua D. Krsnak

Its: Chief Manager

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

LENDER:

BRIDGEWATER BANK,
a Minnesota banking corporation

By: _____
Name: Cassie Laurvick
Its: Assistant Vice President

EXHIBIT A

ASSIGNMENT OF DEVELOPMENT AGREEMENT

KNOW ALL BY THESE PRESENTS, that Oscar Apartments LLC, a Delaware limited liability company (the “Assignor”), in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, in hand paid by Bridgewater Bank, a Minnesota banking corporation (the “Lender”), receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over, to the Lender, its successors and assigns, all of the Assignor’s right, title and interest in and to that certain Development Agreement dated as of January 2, 2020, as amended by that First Amendment to Development Agreement dated as of June 18, 2020, as further amended by that Second Amendment to Development Agreement dated as of March 9, 2022, by and between the City of Sheboygan Wisconsin and Assignor (as amended, the “Development Agreement”), together with all right and interest in the rights therein specified, and hereby constitutes and appoints the Lender its attorney irrevocable to collect and receive said debt, and to enforce and satisfy the Development Agreement as it might or could have done were these presents not executed and does hereby covenant with the Lender that Assignor has good right to sell, assign and transfer the same.

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment of Development Agreement as of the day of _____, 2025.

OSCAR APARTMENTS LLC,
a Delaware limited liability company

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

By:
Name: Joshua D. Krsnak
Its: Chief Manager

STATE OF MINNESOTA)
)ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ___ day of _____, 2025 by Joshua D. Krsnak, the Chief Manager of Shevegas Oscar Holdings, LLC, a Delaware limited liability company, manager of Oscar Apartments LLC, a Delaware limited liability company, on behalf of the limited liability company

Notary Public

EXHIBIT B

CONSENT AND ESTOPPEL CERTIFICATE

[attached hereto]

CONSENT AND ESTOPPEL CERTIFICATE

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

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

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

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

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

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

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

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

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

CITY OF SHEBOYGAN WISCONSIN

By: _____
Ryan Sorenson, Mayor

By: _____
Meredith DeBruin, City Clerk