TERMINATION AND MUTUAL RELEASE AGREEMENT

THIS TERMINATION AND MUTUAL RELEASE AGREEMENT (the "**Termination Agreement**") entered into as of August 17, 2026 (the "**Effective Date**") by and between the CITY OF SHEBOYGAN, a Wisconsin municipal corporation (the "**City**"), and WATERSIDE HOSPITALITY LLC, a Wisconsin limited liability company ("**Developer**").

RECITALS

A. The City and Developer entered into that certain "Tax Incremental District Development Agreement" dated as of July 22, 2025 (the "**Development Agreement**") with regard to the development of a new Marriott Spring Garden Inn hotel on the Property consisting of 104 units, a rooftop restaurant of approximately 4,800 square feet and a first floor distillery of approximately 5,000 square feet (collectively, the "**Project**").

B. On July 16, 2026, the City, pursuant to the terms of the Development Agreement, issued to Developer a notice of default letter for Developer's failure to timely deliver: (1) the Required Information under Section 1.1 of the Agreement, and (2) the Commencement Notice under Section 3.1 of the Agreement (the "**Default Notice**").

C. Developer has requested that the City agree to terminate the Development Agreement and the City and Developer desire to terminate and cancel the Development Agreement on the terms set forth below and to release one another from all obligations under the Development Agreement, except as specifically reserved in this Termination Agreement.

D. Capitalized terms used but not otherwise defined herein shall take on the meaning given to such terms in the Development Agreement.

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

AGREEMENT

1. Recitals. The parties acknowledge, recognize, and agree the Recitals above are true, correct and incorporated in and made part of this Termination Agreement.

2. Termination of Development Agreement. Subject to the terms and conditions of this Termination Agreement, the City and Developer agree to terminate the Development Agreement as of the Effective Date, and the Development Agreement shall be of no further force or effect, except for those provisions that expressly survive termination as set forth in Sections 6 and 7 below. The parties acknowledge and agree that the execution of this Termination Agreement constitutes notice to terminate the Development Agreement as required under the Development Agreement and Wisconsin law. The parties waive any additional notice

requirements to terminate the Development Agreement. Notwithstanding Article XIV of the Development Agreement, the City and Developer agree that the Development Agreement is terminated by mutual agreement as provided in this Section 2 and Article XIV of the Development Agreement shall not otherwise apply to this termination.

3. Reimbursement of City's Costs and Fees. As a condition of the City's agreement to terminate the Development Agreement and to enter into this Termination Agreement, Developer shall pay to the City, in immediately available funds, the amount of Fifteen Thousand Nine Hundred Eighty-One and 42/100 Dollars ($15,981.42; the "**Reimbursement Amount**"), representing all costs, fees, and expenses incurred and to be incurred by the City, including, without limitation, the fees and costs of the City's counsel, von Briesen & Roper, s.c., in connection with the Project, the Development Agreement, the Default Notice, and the negotiation, documentation, and execution of this Termination Agreement. Developer shall pay the Reimbursement Amount to the City concurrently with the execution and delivery of this Termination Agreement by all parties. Time is of the essence with respect to Developer's payment obligation under this Section 3. Notwithstanding anything to the contrary in this Termination Agreement, the releases granted by the City in Section 5 below, and the termination of the Development Agreement under Section 2 above, are conditioned upon, and shall not be effective unless and until, the City's actual receipt of the Reimbursement Amount in full. If the City does not receive the Reimbursement Amount in full concurrently with the execution and delivery of this Termination Agreement by all parties, the City may, at its option, declare this Termination Agreement null and void and pursue any and all rights and remedies available to it under the Development Agreement, at law, or in equity, including, without limitation, the remedies described in Section 12.1(b) of the Development Agreement.

4. Developer's Representations and Warranties Regarding the Property. Developer represents and warrants to the City that: (a) Developer has not commenced construction of, and has not undertaken any physical alteration to, the Property; (b) there are no mechanic's, materialmen's, or other liens or claims of lien against the Property arising out of any work, services, or materials furnished at Developer's request or on Developer's behalf; (c) no hazardous substances have been released, generated, stored, or disposed of on the Property by or on behalf of Developer or any contractor, employee or agent of Developer; and (d) Developer has restored the Property to substantially the condition existing prior to any entry by Developer or its agents, contractors, or consultants. Developer shall indemnify, defend, and hold the City harmless from and against any loss, cost, claim, or liability arising from a breach of the representations in this Section 4 and such Developer obligations shall survive the termination of this Termination Agreement.

5. Mutual Releases.

(a) Provided the City has received the Reimbursement Amount in full pursuant to Section 3 above, the City, on behalf of itself and each of its past, present, and future officers, officials, employees, agents, attorneys and representatives (collectively, "**City Releasors**"), hereby releases and forever discharges Developer and Guarantor, and their respective officers, directors, members, managers, employees, affiliates, agents, successors, assigns (collectively, "**Developer Releasees**") from any and all claims, demands, causes of action, suits, and damages that City Releasors ever had or now have arising from any matter, cause, or thing with regard to the Development Agreement, the Project or the Default Notice through the Effective Date, whether known or unknown, including, without limitation, all claims described in Section 12.1(b) of the Development Agreement, except for Developer's and Guarantor's obligations expressly set forth in this Termination Agreement (including, without limitation, all payments owed to the City as provided herein). For the avoidance of any doubt, if the City has not received the Reimbursement Amount in full as of the Effective Date, the release under this Subsection 5(a) shall be of no force or effect and neither Developer nor Guarantor shall have any right to enforce such release.

(b) Developer, on behalf of itself and each of its past, present, and future officers, directors, members, managers, employees, parents, subsidiaries, affiliates, agents, successors, and assigns and Guarantor (collectively, "**Developer Releasors**"), hereby releases and forever discharges the City and the City's past, present and future, officers, officials, employees, agents, attorneys, representatives, successors, and assigns, in their respective corporate and individual capacities (collectively, the "**City Releasees**"), from any and all claims, demands, causes of action, suits, and damages that Developer Releasors ever had or now has arising from any matter, cause, or thing with regard to the Development Agreement, the Project or the Default Notice through the Effective Date, whether known or unknown.

6. Termination of Guaranty. Provided the City has received the Reimbursement Amount in full pursuant to Section 3 above, Guarantor (Roland Lokre) is hereby released of all obligations and liabilities under the Development Agreement as of the Effective Date. If the City has not received the Reimbursement Amount in full as of the Effective Date, Guarantor's obligations under the Development Agreement shall be revised to guaranty Developer's payment of the Reimbursement Amount under this Termination Agreement. Once the Reimbursement Amount is paid in full to the City, Guarantor shall be released from all obligations under the Development Agreement and this Termination Agreement.

7. Survival of Rights Hereunder. Notwithstanding the releases contained in Section 5 above or any other provision hereof, the following rights and obligations shall expressly survive the execution of this Termination Agreement and the Effective Date until fully performed or paid: (i) Developer's obligation to pay the Reimbursement Amount pursuant to Section 3 above; (ii) Developer's representations, warranties, and indemnification obligations pursuant to Section 4 above; (iii) the Guarantor's obligations, as and to the extent set forth in Section 6 above; (iv) the confidentiality obligations of the parties pursuant to Section 8 below, subject to the City's obligations under Wisconsin's public records and open meetings laws; (v) the indemnity obligations pursuant to Section 10 below; and (vi) the attorneys' fees provisions of Section 16 below.

8. Confidentiality. Subject to the City's obligations under the Wisconsin Public Records Law, Wis. Stats. §§ 19.21–19.39, the Wisconsin Open Meetings Law, Wis. Stats. §§ 19.81–19.98, and any other applicable law, the parties agree not to voluntarily disclose the terms of this Termination Agreement to third parties, other than to their respective attorneys, tax

advisors, financial advisors, lenders, and members, or as required by law, court order, or governmental process. Developer acknowledges that the City is a Wisconsin municipal corporation and that this Termination Agreement, and the Reimbursement Amount paid under Section 3 above, may constitute a public record subject to disclosure upon request, and that the City's compliance with its obligations under applicable public records and open meetings laws shall not constitute a breach of this Section 8.

9. Authority to Execute. Each person executing this Termination Agreement on behalf of any of the parties hereto represents and warrants that he/she/it has been fully empowered to execute this Termination Agreement and that all necessary action for the execution of this Termination Agreement has been taken.

10. Indemnity Regarding Assignment of Claims. Each of the parties hereto represents and warrants to each other party that it has not heretofore assigned or transferred, or purported to assign or transfer to any person, entity, or corporation whatsoever, any of the claims released hereunder. Each party agrees to indemnify and hold harmless each other party against any claim, demand, debt, obligation, liability, cost, expense, right of action, or cause of action based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment.

11. Successors and Assigns. The provisions of this Termination Agreement will inure to the benefit of and be binding upon the heirs, successors, and assigns in interest of the parties. The release herein of any claim against any party hereto will, at the option of such party, bind and inure to the benefit of the principals, agents, representatives, successors, and assigns of the undersigned, and will, at the option of such party, inure to the benefit of all other persons, firms, corporations, agents, or principals against whom the claims released herein might be asserted.

12. Captions. The captions of the paragraphs of this Termination Agreement are solely for the convenience of the parties, are not a part of this Termination Agreement, and will not be used for the interpretation of any provisions of this Termination Agreement.

13. Severability. If any provision of this Termination Agreement will for any reason be held to violate any applicable law, governmental rule, or regulation, or if said agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions will not be held to invalidate the remaining provisions of this Termination Agreement.

14. Further Assurances. Each party agrees that it will take any and all necessary steps, sign and execute any and all necessary documents, agreements, or instrument which are required to implement the terms of this Termination Agreement, and each party will refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the performance of the other party to this Termination Agreement.

15. Interpretation. Each of the parties agrees that they have been or have had the opportunity to have been represented by their own counsel throughout any negotiations about and at the signing of this Termination Agreement and any other documents signed incidental to this Termination Agreement. Therefore, the parties agree that none of the provisions of this

Termination Agreement will be construed against any party more strictly than against the other party.

16. Costs, Expenses, and Attorney's Fees. If an action is commenced between the parties in connection with the interpretation or enforcement of any provision of this Termination Agreement, the prevailing party will be entitled to reasonable costs and expenses, including attorneys' fees.

17. Entire Agreement. This Termination Agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations, or agreements between the parties, either written or oral. This Termination Agreement may be amended only by written instrument designated as an amendment to this Termination Agreement and executed by all of the parties.

18. Choice of Law and Forum. This Termination Agreement shall be governed by, construed, and interpreted with the laws of the State of Wisconsin. Each party hereby irrevocably submits to the exclusive personal jurisdiction of the Sheboygan County Circuit Court in State of Wisconsin, for the resolution of all disputes arising under or relating to this Termination Agreement, and waives any objection to such jurisdiction or venue. Nothing in this Termination Agreement constitutes a waiver of any immunity, defense or notice-of-claim requirement available to the City under Wis. Stat. § 893.80 or any other applicable law. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR CLAIM OF ANY NATURE RELATING TO THIS TERMINATION AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION HEREWITH, OR ANY TRANSACTION CONTEMPLATED HEREBY.

19. Counterparts. This Termination Agreement may be executed simultaneously or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. There is no requirement that each party sign the same counterpart. This Termination Agreement may be signed by electronic signatures, as defined under Wisconsin Statutes Section 137.11(8) or the U.S. federal ESIGN Act of 2000 and any subsequent corresponding statute, including without limitation facsimile, portable document format (PDF), e-mail, or other means of electronic transmission (including, without limitation, DocuSign). Any such signature shall be given the same effect as if it were an original signature on an original Termination Agreement or counterpart. Immediately upon one or more counterparts hereof, individually or taken together, bearing the signatures, electronic or otherwise, of each of the parties reflected hereon as signatories, this Termination Agreement will become legally binding, and may be introduced or submitted in any action or proceeding as competent evidence of such Termination Agreement notwithstanding the failure or inability of either party to produce or tender an original executed counterpart.

20. Conflict. Any conflict between the terms in this Termination Agreement and the terms in the Development Agreement shall be controlled by the terms in this Termination Agreement.

21. Recording. If a memorandum of the Development Agreement was recorded against the Property pursuant to Section 17.9 of the Development Agreement, Developer shall, upon the City's request, execute and deliver a recordable memorandum or notice of termination releasing such memorandum from title to the Property, in form and substance reasonably acceptable to the City.

22. No Admission. This Termination Agreement and the releases contained herein are not, and shall not be construed as, an admission of liability or wrongdoing by any party.

[The remainder of this page is intentionally left blank with a signature page to follow.]

IN WITNESS WHEREOF, the City and Developer have executed and delivered this Termination Agreement as of the Effective Date.

CITY:

CITY OF SHEBOYGAN

By: ___________________________________
Ryan Sorenson, City Mayor

Attest: ________________________________
Meredith DeBruin, City Clerk

DEVELOPER:

WATERSIDE HOSPITALITY LLC

By: ___________________________________
Roland Lokre, Authorized Member

GUARANTOR ACKNOWLEDGMENT: The undersigned Guarantor acknowledges and agrees that: (i) subject to the terms of the above Termination Agreement, Guarantor's guaranty obligations under the Development Agreement or as otherwise set forth in Section 6 of the above Termination Agreement remains in full force and effect until terminated as set forth in the above Termination Agreement; (ii) Guarantor has read and understands the terms of the above Termination Agreement; and (iii) Guarantor joins in the releases set forth in Section 5(b) of the above Terminations Agreement in his individual capacity.

GUARANTOR:

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Roland Lokre, an individual