

**RESOLUTION 2024-072
VILLAGE OF CALEDONIA**

**A RESOLUTION APPROVING A SECOND AMENDED AND RESTATED
DEVELOPMENT AGREEMENT AND FIFTH AMENDMENT TO LOAN
AGREEMENT BOTH WITH CCM-CALEDONIA, LLC AND CARDINAL CAPITAL
MANAGEMENT, INC. FOR LANDS WITHIN TAX INCREMENTAL DISTRICT
NO. 5 FOR A RESIDENTIAL CONDOMINIUM DEVELOPMENT CALLED
WATERS EDGE PLACE**

The Village Board for the Village of Caledonia, Racine County, WI do resolve as follows:

WHEREAS, the Village of Caledonia created Tax Incremental District No. 5 (“TID 5”) as a “rehabilitation – conservation” district; and

WHEREAS, Village, CCM-Caledonia, LLC and Cardinal Capital Management, Inc. entered into an Amended and Restated Development Agreement for development within TID 5 dated as of July 11, 2023, once amended April 9, 2024, and Fourth Amendment to Loan Agreement dated as of April 9, 2024 for the development of property for a residential condominium development planned with certain financial participation by the Village. The parties desire to amend and update both agreements addressing the timeline for certain improvements and obligations;

BE IT RESOLVED THAT, the Second Amended and Restated Development Agreement as set forth in **Exhibit A** is authorized and approved, and the Village President and Village Clerk are authorized to execute said Second Amended and Restated Development Agreement and the Village Administrator and authorized Village Staff are authorized to take such actions as are consistent with and as provided for in the Development Agreement;

BE IT FURTHER RESOLVED THAT, the Fifth Amendment to Loan Agreement as set forth in **Exhibit B** is authorized and approved, and the Village President and Village Clerk are authorized to execute said Fifth Amendment to Loan Agreement and the Village Administrator and authorized Village Staff are authorized to take such actions as are consistent with and as provided (as amended and restated) for in the Fifth Amendment.

Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this 11 day of June, 2024.

VILLAGE OF CALEDONIA

By: Thomas R Weatherston
Thomas Weatherston
Village President

Attest: Jennifer Olsen
Jennifer Olsen
Village Clerk

770272.150(1)

FIFTH AMENDMENT TO LOAN AGREEMENT

THIS FIFTH AMENDMENT TO LOAN AGREEMENT (this “Fifth Amendment”) is made and entered into as of June 11, 2024, by and between CCM-Caledonia, LLC (“Developer”), Village of Caledonia (“Village”) and Cardinal Capital Management, Inc. (“Guarantor”) and is agreed and consented to by Erich Schwenker and Daniel J. O’Connell (“Additional Guarantors”).

RECITALS

A. Village, Developer and Guarantor entered into that certain Loan Agreement dated as of July 8, 2021 as amended by First Amendment to Loan Agreement made as of November, 2021, as further amended by Second Amendment to Loan Agreement made as of July 29, 2022, as further amended by the Third Amendment dated as of July 11, 2023, and as further amended by the Fourth Amendment dated as of April 9, 2024 (collectively the “Loan Agreement”) pursuant to which Village agreed to provide a loan to Developer in an amount up to \$4,000,000 (the “Loan”) in connection with the development of the property more particularly described in Exhibit A attached hereto (the “Property”). The Loan Agreement and the other documents evidencing and securing the Loan shall be referred to collectively herein as the “Loan Documents”.

B. The Loan is secured by mortgage liens in favor of the Village on the Property and the Cardinal Guaranty and the Additional Guaranty as described in the Loan Documents.

C. The parties desire to amend the term of the Loan and to amend the Loan Documents as more particularly described below.

AGREEMENTS

In consideration of the Recitals and the mutual promises set forth below, the parties hereby agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated herein by this reference.
2. Capitalized Terms. Capitalized terms not otherwise defined in this Fifth Amendment shall have the meanings ascribed to them in the Loan Agreement.
3. Loan Term; Interest. The term of the Loan and all references to the term and the due date for repayment of principal in the Loan Documents are hereby extended to January 15, 2028. Accrued interest shall be paid by Developer to Village monthly on the Construction Note and within thirty (30) days’ written notice of the amount of accrued interest due each month.
4. Reaffirmation of Guaranties. Guarantor and Additional Guarantors reaffirm all of their obligations contained in their respective guaranties in favor of the Village.
5. Miscellaneous. Except as specifically amended in this Fifth Amendment, the terms of the Loan Agreement remain unmodified and in full force and effect. This Fifth Amendment may be executed in several counterparts, each of which shall be deemed to be an original

but all of which together shall constitute one and the same instrument. This Fifth Amendment may be executed via e-mail or facsimile transmission and all PDF (or similar electronic format) or facsimile signatures shall be deemed originals for all purposes.

IN WITNESS WHEREOF, the parties have executed this amendment as of the date first set forth above.

VILLAGE OF CALEDONIA

BY _____
Thomas Weatherston, Village President

Attest: _____
Jennifer Olsen, Village Clerk

CCM-CALEDONIA, LLC

By: Cardinal Capital Management, Inc.,
Its sole member

By:  _____
Erich Schwenker, President

CARDINAL CAPITAL MANAGEMENT, INC.

By:  _____
Erich Schwenker, President

ADDITIONAL GUARANTORS

 _____
Erich Schwenker, Individually

Daniel J. O'Connell, Individually

EXHIBIT A

FORMERLY KNOWN AS:

That part of the Northeast 1/4 of Section 21, Township 4 North, Range 23 East, bounded as follows: Begin at the North 1/4 corner of said Section; run thence South 89° 58' 39" East 316.00 feet on the North line of said Section; thence South 00° 05' 51" West 299.37 feet; thence South 78° 30' 36" West 322.57 feet to the North-South 1/4 line of said Section 21; thence North 00° 05' 51" East, 363.75 feet on the said North-South 1/4 line to the point of beginning. Reserving therefrom the rights of the public in and to the Westerly 49.5 feet of the above described parcel for roadway purposes. Said land being in the Village of Caledonia, Racine County, Wisconsin.

Tax Parcel I.D. No: 104-04-23-21-003-000

That part of the Northeast fractional 1/4 of Section 21, Township 4 North, Range 23 East, bounded: Begin at the North 1/4 corner of said Section 21; thence South along the North and South 1/4 line of said Section, 724.41 feet; thence East parallel with the North line of said Section 1861.6 feet to water's edge of Lake Michigan; thence Northwesterly along said water's edge to the North line of said Section; thence West along said North line of Section 21, 1088.5 feet to the place of beginning. EXCEPTING THEREFROM lands contained in Land Contract recorded November 10, 1975, in Volume 1290, page 349, as Document No. 966052. FURTHER EXCEPTING THEREFROM lands contained in Trustee's Deed of Real Estate recorded October 8, 1975, in Volume 1285, page 562, as Document No. 964286. FURTHER EXCEPTING THEREFROM lands contained in Quit Claim Deed recorded April 12, 1978, in Volume 1437, page 136, as Document No. 1024958. FURTHER EXCEPTING THEREFROM lands contained in Warranty Deed recorded September 7, 1979, in Volume 1527, page 184, as Document No. 1059987. Said land being in the Village of Caledonia, Racine County, Wisconsin.

Tax Key No. 104-04-23-21-005-000

That part of the Northeast 1/4 of Section 21, Township 4 North, Range 23 East, described as follows: Commence at a standard Racine County monument marking the North 1/4 corner of said Section 21; run thence South 00 deg. 27' 09" East 391.48 feet to the point of beginning of this description; thence North 78 deg. 03' 39" East 280.93 feet; thence South 06 deg. 52' 21" East 356.68 feet; thence South 89 deg. 28' 51" West 315.19 feet; thence North 00 deg. 27' 09" West 298.87 feet to the point of beginning. Said land being in the Village of Caledonia, Racine County, Wisconsin.

Tax Key No. 104-04-23-21-006-000

NOW KNOWN AS:

LOTS 1, 2, AND 3 OF CERTIFIED SURVEY MAP NO. 3464 RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR RACINE COUNTY, WISCONSIN ON AUGUST 19, 2021 AS DOCUMENT NO. 2602721, BEING PART OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 21, TOWNSHIP 4 NORTH, RANGE 23 EAST, VILLAGE OF CALEDONIA, RACINE COUNTY, WISCONSIN.

Lot 1 Tax Key No. 104-04-23-21-003-010

Lot 2 Tax Key No. 104-04-23-21-003-020

Lot 3 Tax Key No. 104-04-23-21-003-030

**SECOND AMENDED AND RESTATED
DEVELOPMENT AGREEMENT
BETWEEN THE VILLAGE OF CALEDONIA AND
CCM-CALEDONIA, LLC FOR
WATERS EDGE PLACE**

THIS SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT (the “Agreement”) is entered into as of _____, 2024 by and between **CCM-CALEDONIA, LLC**, a Wisconsin limited liability company, its successors and/or assigns (“Developer”), and **CARDINAL CAPITAL MANAGEMENT, INC.**, a Wisconsin corporation and/or its successors and assigns (“Guarantor”) and the **VILLAGE OF CALEDONIA, WISCONSIN**, a Wisconsin municipal corporation (“Village”), collectively the “Parties”.

RECITALS

Village, Developer and Guarantor acknowledge the following:

A. Developer is the owner of that certain real property legally described in Exhibit A, attached hereto (the “Property”).

B. The Property is located within the boundaries of Tax Incremental District No. 5, Village of Caledonia, Wisconsin (the “District”). Pursuant to Wis. Stat. § 66.1105 (the “Tax Increment Law”), the Village adopted a project plan for redevelopment within the District on June 17, 2019, (the “Project Plan”).

C. Village, Developer and Guarantor entered into an Amended and Updated Development Agreement, dated as of July 11, 2023. The Parties desire to both amend and restate all prior agreements, in their entirety, with this Agreement.

D. Based upon an updated market analysis, Developer’s design concept for the Property has changed. Developer now intends to construct approximately 93 units in a residential condominium complex on the Property, with an estimated development cost of at least \$60,000,000 (the “Project”). It is acknowledged that development of the Project as described in this recital will be consistent with the Project Plan.

E. The Village acknowledges that diversity of housing types is needed and in particular, that there is a shortage of housing choices in the Village and surrounding communities. The Racine Economic Development Corporation retained Ehlers, Inc. (“Ehlers”), The Lakota Group, Market and Feasibility Advisors and Foth Companies to undertake a Racine County Development Study which recommended that “the demands for supplier facilities, housing for temporary and permanent workforce and infrastructure demands to support...private investment may require financial commitments from local governments” and that tax incremental financing is an important financial tool to make such projects financially feasible.

F. The Village desires to expand the Village's housing stock, including residential housing with a density of about 8 units per acre, within the District and upon the Property. The Village finds that the development of the Project and the fulfillment of the terms and conditions of this Agreement will further such goals, are in the vital and best interests of the Village and its residents and will serve a public purpose in accordance with state and local law.

G. The development of the Project would not occur without the financial participation of the Village as set forth in this Agreement. The Village has performed a sensitivity analysis with respect to Developer's updated financial pro forma for the Project (the "Pro-Forma"), and has confirmed that Developer's assumptions are reasonable and that the Village's financial participation is necessary to provide a market-rate return and to attract private investment consistent with the Pro-Forma.

H. The Village, pursuant to Village Board action dated June __, 2024, has approved this Agreement and authorized its execution by the proper Village officials on the Village's behalf.

I. Developer and Guarantor have approved this Agreement and authorized its execution by the appropriate representatives on their behalf.

AGREEMENTS

In consideration of the RECITALS and the terms and conditions set forth herein, the Parties agree and covenant as follows:

ARTICLE I DEFINITIONS

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

1. "Agreement" means this Second Amended and Restated Development Agreement, as the same may hereinafter be from time to time modified, amended or supplemented in accordance with its terms;

2. "Bond" means the tax increment revenue bond issued by the Village to the Developer, to reimburse Developer for the Developer's cost of Property Site Preparation plus \$100,000 in Village fees previously paid, substantially in the form attached hereto as Exhibit B;

3. "Bond Maturity Date" means the earlier to occur of (a) the termination of the District, as the same may be extended or (b) the date when all amounts due to Developer under the Bond have been paid;

4. "Bond Payment Date" means the date that is 30 days after all ad valorem taxes due with respect to the Property have been paid for any calendar year;

5. "Commencement Date" means December 1, 2027;

6. "Completion Date" means December 31, 2031;
7. "Developer" means CCM-Caledonia, LLC, a Wisconsin limited liability company;
8. "District" means Tax Incremental District No. 5, Village of Caledonia, Wisconsin;
9. "Guarantor" means Cardinal Capital Management, Inc., a Wisconsin corporation;
10. "Make Up Payment" shall have the meaning under Article V below;
11. "Minimum Guaranteed Value" means an equalized value of the Project of not less than \$4,569,800 million as of January 1, 2024, not less than \$8 million as of January 1, 2025, not less than \$20 million as of January 1, 2026, not less than \$40 million as of January 1, 2027, not less than \$60 million as of January 1, 2028, and thereafter during the Term of this Agreement;
12. "Pro-Forma" means Developer's updated financial pro-forma for the Project provided by Developer dated July 11, 2023, which is deemed a trade secret exempt from public records requirements.
13. "Project" means construction of approximately 93 residential condominium units, pursuant to the plans approved by Village, a preliminary depiction of which is attached hereto as Exhibit C (the "Plans") with an estimated development cost of at least \$60 million.
14. "Project Base Value" means the equalized value of the Property on the date on which the District was created, which is \$246,000. "The Project Base Value shall be included within the Minimum Guaranteed Value (and shall not be deducted therefrom).
15. "Project Plan" means the project plan adopted by the Village on June 17, 2019;
16. "Property" means that certain real property legally described in Exhibit A, attached hereto.
17. "Property Site Preparation" means all costs incurred by Developer for demolition of structures and bluff stabilization, including but not limited to soft costs.
18. "Tax Increment" means tax increments (as defined by the Tax Increment Law) collected and retained by the Village from all of the property in the District;
19. "Tax Increment Law" means Wis. Stats. sec. 66.1105;
20. "Term" means the term of this Agreement which shall continue from the date of full execution of this Agreement until the date when the District is terminated;
21. "Village" means the Village of Caledonia, Wisconsin.

ARTICLE II REPRESENTATIONS AND WARRANTIES

A. Representations and Warranties of Village. The Village makes the following representations and warranties:

1. The Village is a municipal corporation of the State of Wisconsin and has the power to enter into this Agreement and carry out its obligations hereunder;

2. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in the breach of, the terms, conditions or provision of any law, ordinance, charter, contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Village is now a party or by which it is bound, or constitutes a default under any of the foregoing.

3. The execution, delivery and the consummation of the transactions contemplated hereby have been duly authorized and approved by the Village and no other or further acts or proceedings of the Village are required. This Agreement constitutes the legal, valid and binding agreement and obligations of the Village, enforceable against it in accordance with its respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general principals of equity.

B. Representations and Warranties of Developer. The Developer makes the following representations and warranties:

1. Developer is a Wisconsin limited liability company and has the power to enter into this Agreement and carry out its obligations hereunder and is in good standing under the laws of the State of Wisconsin.

2. The implementation of the Project would not be undertaken by Developer, and, in the opinion of Developer, would not be economically feasible within the reasonably foreseeable future, without the assistance to Developer provided for in this Agreement.

3. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Developer is prevented, limited by or conflicts with or results in the breach of, the terms, conditions or provision of any law, ordinance, charter, contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

4. The execution, delivery and the consummation of the transactions contemplated hereby have been duly authorized and approved by the Developer and no other or further acts or proceedings of the Developer are required with respect thereto. This Agreement

constitutes the legal, valid and binding agreement and obligations of the Developer, enforceable against it in accordance with its respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general principals of equity.

C. Representations and Warranties of Guarantor. The Guarantor makes the following representations and warranties:

1. Guarantor is a Wisconsin corporation.
2. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement by Guarantor is prevented, limited by nor conflicts with, or results in, the breach of, the terms, conditions or provision of any law, ordinance, charter, contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Guarantor is now a party or by which it is bound, or constitutes a default under any of the foregoing.

ARTICLE III DEVELOPER AND GUARANTOR ACTIVITIES AND OBLIGATIONS

A. Developer shall construct the Project in accordance with all applicable Village zoning and building codes, ordinances and regulations. Developer warrants and represents to the Village that the Project will contain approximately 93 residential condominium units, pursuant to the preliminary depiction set forth on the Plans and other plans approved by Village, that total development costs expended on the Project (inclusive of personal property) shall be not less than \$60 million, and that the equalized assessed value of the Project shall be:

1. not less than \$4,569,800 million by January 1, 2024;
2. not less than \$8 million by January 1, 2025;
3. not less than \$20 million by January 1, 2026;
4. not less than \$40 million by January 1, 2027;
5. not less than \$60 million by January 1, 2028; and thereafter during the Term of this Agreement.

The amounts set forth above are defined as "Minimum Guaranteed Values" as of the dates set forth above.

As of the date of this Agreement, Developer has prepared the Property for construction by razing and removing all structures and stabilizing the lake bluff, at an actual cost to Developer for such Property Site Preparation in excess of \$4 million, subject to confirmation of such costs by the Village Administrator. Village has heretofore loaned \$4,000,000 to Developer to fund Developer's costs described in this paragraph ("Village Loan"). The full principal and all unpaid and accrued

interest on the Village Loan shall be repaid to Village by January 15, 2028, unless further extended by subsequent agreement.

Developer shall submit an application for a building permit for at least one building in the Project not later than December 1, 2027 (the "Commencement Date") and commence construction of at least one building in the project by May 1, 2028, and substantially complete construction of the Project in accordance with all zoning approvals and the Plans, on or before December 31, 2031 (the "Completion Date"). Copies of the Village-approved Plans will be retained at the offices of the Village Economic Development Department. The Project shall be deemed to be substantially complete on the date that the Village Building Inspector issues a certificate of occupancy for the Project, which certificate may be subject to completion of landscaping and similar seasonal items and other non-material corrective actions. The Village Building Inspector shall not issue a certificate of occupancy for a building if the building does not conform to the Plans, subject to any changes to the Plans that may have been approved by the Village.

B. If any improvements that will be dedicated to the public are included within the scope of work for the Project (the "Public Improvements"), Developer will complete the installation of the Public Improvements in accordance with Village specifications, and will dedicate same to the Village in accordance with Village inspection and acceptance procedures. The Public Improvements shall at all times be subject to Village inspection and approval and the Village and other public entity shall not be required to accept conveyance of the Public Improvements unless the Public Improvements have been constructed in a good and workmanlike manner, in accordance with the Village-approved plans for the Public Improvements. Following approval by the Village of the completed Public Improvements, the Public Improvements shall be conveyed to the Village or other public entity, to the extent appropriate. The Developer shall provide to the Village, or other public entity, from the Developer and all contractors and consultants involved in connection with the construction and installation of the Public Improvements, a one-year warranty against defects in construction, materials and workmanship, in a form reasonably acceptable to the Village.

C. The Developer shall arrange for funding for all costs of the Project in excess of the funds provided by its construction lenders. Developer will provide evidence to the reasonable satisfaction of the Village that Developer has secured sufficient debt and equity financing commitments to enable the Project to proceed to completion.

D. The Developer shall pay the Village a per unit fee based on the size of the units and consistent with the Village's published schedule of fees as a condition to the Village's issuance of each building permit and to provide for inspections for each building in the Project. Upon reasonable notice to Developer, such fee may be reasonably adjusted, from time to time, to account for the Village's actual anticipated costs to process the building permit and provide inspections.

E. The Developer has paid, at the time of conveyance of the Property to Developer by Village, reasonable and actual third party fees incurred by the Village to review and approve the Project, including professional fees, in the amount of \$100,000 and will continue to pay such fees incurred.

F. In the event of a Default of Developer of any obligation set forth in Subsections D or E above, or in Article V or in Article X(M) below, Guarantor will discharge such obligations. Guarantor is not obligated to discharge any other obligations of Developer under this Agreement. Guarantor's obligations under this Agreement shall terminate on January 1 in the year following the January 1 on which the Project achieves the Minimum Guaranteed Value of \$60 million.

G. Developer intends to commence marketing residential condominium units for pre-sales to owner-occupants prior to ____ year end.

ARTICLE IV VILLAGE ACTIVITIES AND OBLIGATIONS

A. Village has conveyed the Property to Developer, prior to January 1, 2021, for \$1.00 and in consideration of the Agreement, to enable the Project.

B. Village shall continue to cooperate with Developer throughout the development and construction of the Project and the term of this Agreement and shall reasonably and promptly review and/or process all submissions, applications and inspections in accordance with applicable Village ordinances.

C. The Parties have agreed that all fees for the Project consistent with the Village's published schedule of fees (collectively, the "Fees") due to the Village under applicable Village ordinances (other than the fees described in Subsection III(E) above) shall be determined based on the size of the units in the Project consistent with the Village's published schedule of fees.

D. In consideration of the performance by Developer of its obligations under this Agreement, simultaneously with execution of this Agreement, the Village agrees to issue to the Developer a tax increment revenue bond (the "Bond") in the principal amount of \$4,100,000 to Developer (which amount was determined based on Property Site Preparation costs incurred by Developer pursuant to this Agreement), substantially in the form attached hereto as Exhibit B. The Bond shall bear interest at the rate of 2.5% per annum.

1. The amount of the Bond shall be reduced if the Project has not achieved the relevant Minimum Guaranteed Values and if, in lieu of making any Make Up Payment under Article V below, Developer elects to have the Make Up Payment amount offset against the unpaid amount of the Bond.

2. The amount of the Bond also shall be reduced in the event that the Village elects to prepay some of the Bond balance.

3. Any reduction in the Bond or Make Up Payments paid shall be recouped to the extent that the equalized value of the Project exceeds the Minimum Guaranteed Values during the Term of this Agreement.

4. Recoupment shall commence following payment in full of the Bond, on an annual basis during the remaining term of the Agreement.

E. The Bond shall have a term that extends for the earlier to occur of (1) the termination of the life of the District, as the same may be extended, and (2) the date when all amounts due to Developer under the Bond have been paid (the "Bond Maturity Date"). Installment payments on the Bond will be due and payable each year on the date which is 30 days following the date on which all ad valorem taxes with respect to the Property have been paid (each a "Bond Payment Date"). The amount of the annual payment due on each Bond Payment Date shall be equal to the amount of funds available from "Tax Increment" as of the date the Bond payment is due, after all Village debt secured by Tax Increment and contemplated in this Agreement is paid, provided that such debt shall include only a 2019 Note in the principal amount of \$555,000, a 2021 Note in the principal amount of \$1,465,000 and a 2021 Utility Bond in the principal amount of \$1,105,000. The amounts and maturities of the installments on the Bond which are to be prepaid shall be selected by the Village, in its sole discretion, without penalty.

THE BOND SHALL BE A SPECIAL, LIMITED REVENUE OBLIGATION OF THE VILLAGE PAYABLE ONLY FROM TAX INCREMENT THAT IS APPROPRIATED BY THE VILLAGE BOARD OF THE VILLAGE FOR THAT PURPOSE. No property or other asset of the Village, except Tax Increment appropriated to make payments with respect to the Bond, is or shall be a source of payment of the Village's obligations thereunder. The Bond shall not constitute a debt or obligation of the Village, the County in which it is located, the State of Wisconsin or any political subdivision thereof within the meaning of any State constitutional provision, statutory provision or limitation, or charter provision or limitation thereof and shall not be a charge against their general credit or taxing powers.

THE VILLAGE MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE TAX INCREMENT, IF APPROPRIATED, WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE UNDER THE BOND. THE VILLAGE'S OBLIGATION TO MAKE PAYMENTS ON THE BOND IS LIMITED TO THE AVAILABILITY OF TAX INCREMENT AND IS FURTHER SUBJECT TO ANNUAL APPROPRIATION BY THE VILLAGE BOARD.

In each year, the staff of the Village shall include the appropriation of Tax Increment in the Village budget as submitted to the Village Board for consideration for the next succeeding fiscal year. If the Village Board determines not to appropriate any portion of such Tax Increment, written notice thereof shall be provided to the Developer within 14 days. The Village agrees that, subject to annual appropriation of said funds, on an annual basis for the years after any building on the Property is assessed, completed and occupied, all funds in the special fund of the District which constitute Tax Increment from the Project will be used to make the payments due under the Bond.

Except as otherwise provided herein, the Village shall have no obligation to make payments on the Bond while the Developer is in default of any of its obligations under this Agreement or if no Tax Increment is available.

F. Village shall, at Village cost, install all Project Plan infrastructure in the District, except within the Property, in accord with the Project Plan.

G. Village shall pay to Developer, in addition to the amount due under the Bond, all of the amounts paid by Developer under Section III E, above, plus interest at the rate of 2.5% per annum. Such payments shall be made only from Tax Increment after full payment of the Bond.

ARTICLE V PAYMENT OF TAXES; MAKE UP PAYMENT

For the year 2024 and thereafter ending with the last year of the Term of this Agreement, Developer guarantees that the ad valorem property taxes assessed against the Property shall be based on not less than the Minimum Guaranteed Value as set forth in Article III(A) above. By way of example only, should the assessment ratio be 98% and the mill rate be \$19.22 per \$1,000 of assessed value for tax year 2025, the total amount required under this Agreement for tax year 2025 (payable in 2026) would be \$_____. Developer agrees that, in the event that the property taxes actually paid with respect to the Property for any year covered by this Agreement are based on an equalized value less than the amount of the appropriate Guaranteed Minimum Value, the Village may submit a bill to Developer for the difference (a "Make Up Payment"). Such billing shall be submitted to Developer by the Village Treasurer by March 1 of the relevant tax year and, unless Developer elects to reduce the amount of the Bond as set forth in Article IV(C) above, shall be paid in full by Developer, without interest thereon, by March 31 of the relevant year.

The foregoing shall not prohibit the Developer from contesting, in good faith, the assessed value of any portion of the Property, provided that the equalized assessed value of the Property exceeds the Minimum Guaranteed Value.

Developer shall not transfer ownership or use of any portion of the Property to any entity which would render that portion of the Property or condominium unit exempt from ad valorem taxes, without the prior written consent of the Village. The provision in the previous sentence shall run with the land in perpetuity.

ARTICLE VI NO PARTNERSHIP OR VENTURE

Developer, its successors and/or assigns and/or owners of the Property and their contractors or subcontractors shall be solely responsible for the completion of the Project. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the Village and Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor employed by Developer, its successors and/or assigns and/or owners of the Property, in the construction of the Project.

ARTICLE VII CONFLICT OF INTEREST

No member, officer or employee of the Village, during his/her tenure or for one year thereafter, will have or shall have had any interest, direct or indirect in this Agreement or any proceeds thereof, unless such member or officer abstained from any participation in the Village review and

process of the Project and the Agreement from the point of time when a potential conflict of interest arose and thereafter.

ARTICLE VIII WRITTEN NOTICES

All notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) upon delivery to an officer or designated representative of the person entitled to such notice, if hand delivered, or (ii) two business days following deposit in the United States mail, postage prepaid, or with a nationally recognized overnight commercial carrier that will certify as to the date and time of delivery, airbill prepaid, or (iii) upon transmission if by facsimile, and each such communication or notice shall be addressed as follows, unless and until any of such parties notifies the other in accordance with this Article of a change of address:

If to the Village: Village of Caledonia
5043 Chester Lane
Racine, Wisconsin 53402
Attention: Village Administrator and Village Clerk
Email: as noted on Village's website

With a copy to: Elaine Ekes, Esq.
Pruitt, Ekes & Geary, S.C.
245 Main Street, Suite 404
Racine, WI 53403
Email: esekes@peglawfirm.com

If to the Developer: CCM-Caledonia, LLC
901 South 70th Street
West Allis, WI 53214
Attention: Erich Schwenker
Email: eschwenker@astarusa.com

If to the Guarantor: Cardinal Capital Management, Inc.
901 South 70th Street
West Allis, WI 53214
Attention: Erich Schwenker
Email: eschwenker@astarusa.com

With a copy to: William R. Cummings
Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, WI 53202
Email: wcummings@reinhartlaw.com

Any email notice will be effective only when a hard copy of the notice is sent by mail, messenger or personal delivery.

ARTICLE IX DEFAULT

A. The occurrence of any one or more of the following events shall constitute a default by Developer hereunder ("Default"):

1. Developer fails to pay any amounts when due under this Agreement and further fails to pay such amount on or before ten days following written notice of such failure; or

2. Any material representation or warranty made by Developer pursuant to this Agreement proves to have been false in any material respect as of the time when made or given; or

3. Developer materially breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement (other than relating to the payment of money), and such failure shall continue for thirty (30) days following notice thereof from the Village (or such longer period of time as is otherwise expressly set forth herein or as is reasonably necessary to cure the default as long as the Developer has commenced the cure of the default within the thirty (30) day period, is diligently pursuing the cure of the default and as long as the default is cured not later than one hundred twenty (120) days following the notice thereof from the Village or such longer period of time as is reasonably agreed to by the Village); or

4. Developer:

a) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its/his assets; or

b) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code, or files a petition in bankruptcy, for reorganization or to effect a plan or other arrangement with creditors; or

c) has a petition or application filed against it in bankruptcy or any similar proceeding, or has such a proceeding commenced against it and such petition, application or proceeding shall remain undismissed for a period of ninety (90) days or Developer shall file an answer to such a petition or application, admitting the material allegations thereof; or

d) applies to a court for the appointment of a receiver or custodian for any of its/his assets or properties, with or without consent, and such receiver shall not be discharged within ninety days after his appointment; or

e) adopts a plan of complete liquidation of its/his assets; or

f) shall cease to exist.

B. The Village shall be deemed to be in default in the event it materially breaches or fails to perform timely or observe timely any of its covenants or obligations under this Agreement, and such failure shall continue for thirty (30) days following notice therefrom from Developer (or such longer period of time as is otherwise expressly set forth herein or as is reasonably necessary to cure the default as long as the Village has commenced the cure of the default within the thirty (30) day period, is diligently pursuing the cure of the default and as long as the default is cured not later than one hundred twenty (120) days following the notice thereof from Developer or such longer period of time as is reasonably agreed to by the Developer).

C. Upon the occurrence of any Default by either party, upon ten (10) days' notice, without further demand or action of any kind by the nondefaulting party and except as expressly set forth below, the nondefaulting party may, at its option, pursue any or all rights and remedies available at law or in equity. The Village's rights shall include, but not be limited to temporary suspension of any payment of the Village payments under this Agreement during the continuance of any Default by Developer, -or Village performance of any Developer obligation under this Agreement. Upon the cure of any such Default on the part of Developer, then, if and to the extent the Village suspended any payments of Village payments, the Village shall promptly distribute to Developer any payments so suspended and promptly resume payments of amounts due with respect to the Village payments due under this Agreement and continue such payments so that, subject to available Tax Increment, the cumulative amount paid upon full amortization is equal to that amount contemplated under this Agreement.

No remedy shall be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, and/or now or hereafter existing at law or in equity. No failure or delay on the part of any party in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude other or further exercise thereof or the exercise of any other right or remedy.

Notwithstanding the foregoing, the Village shall not terminate this Agreement or pursue, exercise or claim any rights or remedies arising out of a Default by Developer hereunder, except injunctive relief, specific performance or the temporary suspension of Village payments unless Developer, its mortgage lender or their designees have not commenced commercially reasonable efforts to cure any such Default within 60 days after receipt of written notice from the Village to Developer and its mortgage lender that if such efforts to cure such Default are not so commenced, then the Village intends to pursue its other rights and remedies hereunder, including, without limitation, the right to terminate this Agreement.

D. In the event of a Default by either party, all reasonable fees, costs and expenses incurred by the nondefaulting party, including reasonable attorney's fees, in connection with the enforcement of this Agreement shall be paid by the defaulting party, including without limitation the enforcement of the nondefaulting party's rights in any bankruptcy, reorganization or insolvency proceeding.

E. Prior to litigation, as a condition precedent to bringing litigation, any party deeming itself aggrieved under this Agreement shall be obligated to request nonbinding mediation of the dispute. Mediation shall proceed before a single mediator. The parties shall agree upon a mediator

and, if they fail to do so within 30 days, either party may apply to Circuit Court for Racine County for the designation of a mediator. In the event the parties do not accept the mediator's recommendation, the aggrieved party may then commence an action. However, the parties shall agree to alternative dispute resolution if ordered by the County.

ARTICLE X MISCELLANEOUS

A. Developer shall have in effect at all times, all permits, approvals and licenses as may be required by any governmental authority or, to the extent reasonably prudent or customary for similarly situated business operations, any non-governmental entity in connection with the development, construction, management and operation of the Project.

B. Developer shall maintain the following insurance policies issued by insurers licensed in the State of Wisconsin, with Best's A ratings and in the financial size category as insurers of similar projects, with such policies (the "Insurance Policies") covering loss by perils, hazards, liabilities and other risks and casualties and in such amounts as may be reasonably required by the Village:

1. Following completion of construction of the Project, "all risks" property insurance insuring against such risks as are insured against by Developers of similar projects, in amounts equal to 100% replacement cost of all buildings, improvements, fixtures, equipment and other real and personal property constituting the Project with an extended replacement cost endorsement; and

2. During the construction of the Project, builder's risk insurance in form and amounts reasonably satisfactory to the Village; and

3. During the term of this Agreement, commercial general liability insurance covered under a comprehensive general liability policy including contractual liability in amounts maintained by Developers of similar projects, and insuring against bodily injury, including personal injury, death and property damage; and

4. Such other insurance as may be reasonably requested by the Village.

Each Insurance Policy shall require the insurer to provide at least thirty (30) days prior written notice to the Village of any material change or cancellation of such policy. The Village shall be named as an additional insured/loss payee on all policies of insurance except worker's compensation insurance.

C. The prevailing party shall be entitled to collect all costs and expenses associated with the enforcement of its rights against the other under this Agreement, including without limitation the enforcement of such rights in any bankruptcy, reorganization or insolvency proceeding involving Developer. Any and all such fees, costs and expenses incurred by the prevailing party which are to be paid by the other, shall be paid by on demand.

D. Developer hereby indemnifies, defends, covenants not to sue and holds the Village harmless from and against all loss, liability, damage and expense, including attorneys' fees, suffered or incurred by the Village in any way in connection with the Project, including without limitation: (a) the failure of Developer or its contractors, subcontractors, agents, employees, or invitees (while under control of Developer) to comply with any environmental law, rule, regulation or ordinance, or any order of any regulatory or administrative authority with respect thereto; (b) any release by Developer or its contractors, subcontractors, agents, employees, or invitees (while under control of Developer) of petroleum products or hazardous materials or hazardous substances on, upon or into the Project; (c) any and all damage to natural resources or real property or harm or injury to persons resulting from any failure by the Developer and/or its contractors, subcontractors and/or agents to comply with any law, rule, regulation or ordinance or any release of petroleum products or hazardous materials or hazardous substances as described in clauses (a) and (b) above; (d) any violation by Developer at the Project of any environmental law, rule, regulation or ordinance; (e) claims arising under the Americans With Disabilities Act or similar laws, rules, regulations or ordinances; (f) the failure by Developer to comply with any term or condition of this Agreement; (g) injury to or death of any person at the Project; injury to any property caused by or at the Project; and (h) the failure of Developer to maintain, repair or replace, as needed, any portion of the Project; except, in each of the foregoing instances described in (a) through (h) above, to the extent negligently or willfully and wrongfully caused by the Village or its agents, employees, contractors or representatives.

The terms "hazardous substances" means any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances" under any applicable federal or state or local laws or regulations.

Except as caused, in whole or in part, by negligence or wrongful act or omission of the Village, if the persons or property of others sustain loss, damage or injury resulting directly or indirectly from the negligence or wrongful act or omission of Developer or its contractors, subcontractors or materialmen in their performance of this Agreement or from Developer's failure to comply with any of the provisions of this Agreement or of law, Developer shall indemnify and hold the Village harmless from any and all claims and judgments for damages, and from costs and expenses to which the Village may be subjected or which it may suffer or incur by reason thereof, provided; however, that the Village shall provide to Developer promptly, in writing, notice of the alleged loss, damage or injury.

Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor retained by Developer, its successors and/or assigns and/or owners of the Property, shall indemnify and save harmless the Village, its officers, agents and employees, and shall defend the same, from and against any and all liability, claims, loss, damages, interest, actions, suits, judgments, costs, expenses, and attorneys' fees, to whomsoever owed and by whomsoever and whenever brought or obtained, which in any manner results from or arises in connection with:

1. The negligent or willfully wrongful performance of this Agreement by Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor retained by Developer, its successors and/or assigns and/or owners of the Property;

2. The negligent or willfully wrongful construction of Developer Improvements by Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor retained by Developer, its successors and/or assigns and/or owners of the Property;

3. The negligent or willfully wrongful operation of Developer Improvements by Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor retained by Developer, its successors and/or assigns and/or owners of the Property, during construction of the Project;

4. The violation by Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor retained by Developer, its successors and/or assigns and/or owners of the Property, of any law, rule, regulation, order or ordinance; or

5. The infringement by Developer, its successors and/or assigns and/or owners of the Property, or any contractor or subcontractor retained by Developer, its successors and/or assigns and/or owners of the Property, of any patent, trademark, trade name or copyright.

E. As used herein, the term "Force Majeure" shall mean any accident, breakage, war, insurrection, civil commotion, riot, pandemic, act of terror, act of God or the elements, governmental action (except for governmental action by the Village with respect to obligations of the Village under this Agreement), alteration, strike or lockout, picketing (whether legal or illegal), inability of a party or its agents or contractors, as applicable, to obtain fuel or supplies, unusual weather conditions, or any other cause or causes beyond the reasonable control of such party or its agents or contractors, as applicable. No party to this Agreement shall be in Default hereunder for so long as such party or its agents or contractors, if applicable, are prevented from performing any of its obligations hereunder due to a "Force Majeure" occurrence.

F. Nothing contained in this Agreement is intended to or has the effect of releasing Developer, its successors and/or assigns and/or owners of the Property, from compliance with all applicable laws, rules, regulations and ordinances in addition to compliance with all terms, conditions and covenants contained in this Agreement.

G. Prior to substantial completion of the Project, this Agreement may not be assigned by the Developer without the Village's consent, which may be granted or withheld in the Village's sole discretion, provided, however, Developer may assign this Agreement to an entity that controls, is controlled by, or is under common control with, Developer or Guarantor without the consent of the Village. Notwithstanding the foregoing, the Developer may collaterally assign this Agreement and the Bond to the Developer's lender for the Project without the consent of the Village. In the event that any such lender forecloses on its collateral and succeeds to develop of the Property, the Village shall fulfill its obligations hereunder provided that such lender, or the party purchasing the Property at a foreclosure sale, assumes in writing all of the obligations of the Developer hereunder.

H. In the event of fire, damage or any other casualty to any part of the Project, Developer agrees, at its cost and expense, to rebuild, repair and replace the Project to substantially the condition or better than existed immediately prior to the casualty. The fair market value of the Project following reconstruction and/or repair by Developer must be substantially similar to the fair market value of the Project immediately prior to the casualty. Developer shall not be relieved of any of its obligations under the terms of this Agreement as a result of any fire, damage or any other casualty or during the period of repair or rebuilding or replacement of the Project. This obligation to repair, rebuild or replace shall remain in effect for a period expiring upon the date of the expiration and closure of Tax Incremental District No. 5, Village of Caledonia, Wisconsin.

I. If the State laws regarding ad valorem taxation are amended or modified during the term of this Agreement such that the projected Tax Increments from the Property are materially reduced, i.e., seven percent (7%) or more, and there are no corresponding amendments or modifications to the Tax Increment Law to compensate for such reduction, the parties agree to work in good faith to consider amendments to this Agreement toward the end of rendering the respective positions of the parties generally equivalent to the positions set forth herein.

J. In the event that any term or provision of this agreement is determined to be invalid or unenforceable for any reason, then the other terms and provisions of this Agreement shall not be affected thereby and said terms and provisions shall remain in full force and effect.

K. A Memorandum of the previous agreement was recorded in the office of the Register of Deeds of Racine County, Wisconsin on August 23, 2022 as Document No. 2637281. Similarly, a Memorandum of this Agreement shall be recorded, prior to the recording of any mortgage securing any construction loan, or any other mortgage on the Project, it being understood by the parties that this Agreement will run with the land and will be binding upon the Project and any owner of all or any portions of the Project and their successors and assigns in a form in substantial conformance with the attached Exhibit D.

L. This Agreement shall be construed pursuant to the laws of the State of Wisconsin. Except as otherwise specifically and expressly set forth in this Agreement, the venue for any disputes arising under this Agreement shall be the Circuit Court for Racine County. The prevailing party shall be entitled to its costs, including its reasonable attorneys' fees, incurred in any litigation.

M. The Term of this Agreement shall continue from the date of full execution of this Agreement until the earlier to occur of (a) the date when all required payments to Developer have been paid by the Village in full, or (b) the date when the District, as it may be extended, is terminated.

N. This Agreement constitutes the entire Agreement between the parties, and all provisions of this Agreement shall be deemed to be covenants running with the Property and shall be binding upon successors and assigns for the Term of this Agreement.

O. The parties agree that they shall enter into a subsequent agreement that addresses the anticipated on-site and off-site infrastructure including but not limited to private driveways, site grading and erosion controls, stormwater improvements, public sanitary sewer and water


GUARANTOR:
CARDINAL CAPITAL MANAGEMENT, INC.

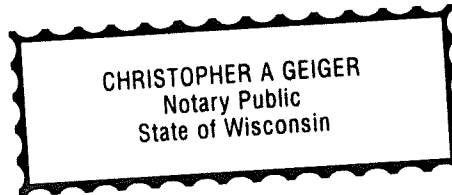
By: 

Date: JUNE 10, 2024

STATE OF WISCONSIN)
) ss.
MILWAUKEE COUNTY)

Personally appeared before me this 10th day of June, 2024, the above-named Erich Schwenker, the President of Cardinal Capital Management, Inc., to me known to be the person who executed the foregoing agreement on behalf of Cardinal Capital Management, Inc. and by its authority.


Notary Public, State of Wisconsin
My Commission expires: 3/29/26



VILLAGE OF CALEDONIA

By: _____
Thomas Weatherston, Village President

By: _____
Jennifer Olsen, Village Clerk

STATE OF WISCONSIN)
) ss.
RACINE COUNTY)

Personally appeared before me this ____ day of June, 2024, the above-named Thomas Weatherston and Jennifer Olsen, the Village President and Village Clerk, respectively, of the Village of Caledonia, Wisconsin, to me known to be the persons who executed the foregoing agreement on behalf of the Village and by its authority.

Notary Public, State of Wisconsin
My Commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lots 1, 2 and 3 of Certified Survey Map No. 3464, recorded in the Office of the Racine County Register of Deeds on August 19, 2021 as Document No. 2602721, being a part of the Northeast Fractional 1/4 of Section 21, Township 4 North, Range 23 East, Village of Caledonia, Racine County, Wisconsin.

Tax Parcel I.D. Nos: 104-04-23-21-003-010; 104-04-23-21-003-020; and 104-04-23-21-003-030

EXHIBIT B

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF RACINE
VILLAGE OF CALEDONIA

TAXABLE TAX INCREMENT PROJECT MUNICIPAL SPECIAL,
LIMITED REVENUE OBLIGATION BOND ("Bond")

Number Date of Original Issuance Amount of \$4,100,000

FOR VALUE RECEIVED, the Village of Caledonia, Racine County, Wisconsin (the "**Village**"), promises to pay to CCM-Caledonia, LLC (the "**Developer**"), or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the amount of Four Million One Hundred Thousand Dollars (\$4,100,000.00). This Bond is subject to the terms and provisions of the Second Amended and Restated Development Agreement between the Village and Developer, dated of even date herewith.

This Bond shall be payable in installments due 30 days following the date on which Developer has paid all ad valorem taxes with respect to the Property (the "**Payment Dates**") in each of the years and in the amounts set forth on the debt service schedule attached hereto as Schedule 1, as the same may be modified under the terms of the Second Amended and Restated Development Agreement.

This Bond has been issued to finance a project within the Village's Tax Incremental District No. 5, pursuant to Article XI, Section 3 of the Wisconsin Constitution and Chapters 66 and 67, as applicable, of the Wisconsin Statutes and acts supplementary thereto, and is payable only from the income and revenues herein described, which income and revenues have been set aside as a special fund for that purpose and identified as the "**Special Redemption Fund**" provided for under the Resolution adopted on September 21, 2020, by the Village Board of the Village (the "**Resolution**"). This Bond is issued pursuant to the Resolution and pursuant to the terms and conditions of the Tax Incremental District No. 5 Second Amended and Restated Development Agreement dated as of _____ between the Village and the Developer ("**Second Amended and Restated Agreement**"). This Bond does not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation or provision. Except as expressly set forth in the Development Agreement, this Bond shall be payable solely from available Tax Increments generated by the Property and appropriated by the Village Board to the payment of this Bond (the "**Revenues**"). Reference is hereby made to the Resolution and the Development Agreement for a more complete statement of the revenues from which and conditions and limitations under which this Bond is payable and the general covenants and provisions pursuant to which this Bond has been issued. The Resolution and Development Agreement are incorporated herein by this reference. All capitalized terms that are not otherwise defined in this Bond shall take on the meaning given to such terms in the Development Agreement.

If on any Payment Date there shall be insufficient Revenues appropriated to pay the amount due on this Bond, the amount due but not paid shall be adjusted as set forth in the Development Agreement, subject to later readjustment also as set forth in the Development Agreement. The Village shall have no obligation to pay any amount of this Bond which remains unpaid after the Bond Maturity Date, except as expressly set forth in the Development Agreement. The owner of this Bond shall have no right to receive payment of any deferred amounts, unless there are available Revenues which are appropriated by the Village Board to principal payment of this Bond. If, in any calendar year, the Revenues exceed the amount payable in that year on the Bond ("**Surplus Increment**"), the Village may, subject to appropriation of such payment by the Village Board, apply the Surplus Increment to prepayment on the Bond. The "**Bond Maturity Date**" is set forth in the Development Agreement.

At the option of and in the sole discretion of the Village, this Bond is subject to prepayment in whole or in part at any time.

The Village makes no representation or covenant, express or implied, that the Tax Increments or other Revenues will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The Village's payment obligations hereunder are subject to appropriation, by the Village Board, of Tax Increments to make payments due on this Bond. In addition, as provided in Article IV Section C of the Development Agreement, the total amount to be paid shall be \$4,100,000.00, plus interest accruing at 2.5% per annum, except as modified by the terms of the Development Agreement. When that amount of Revenue has been appropriated and applied to payment of this Bond, the Bond shall be deemed to be paid in full and discharged, and the Village shall have no further obligation with respect hereto. Further, as provided in Article IV Section D. of the Development Agreement, the Village shall have no obligation to make payments on this Bond in the event the Developer is in default under any of the terms and conditions of the Development Agreement.

This Bond is a special, limited revenue obligation and not a general obligation of the Village and is payable by the Village only from the sources and subject to the qualifications stated or referenced herein. This Bond is not a general obligation of the Village, and neither the full faith and credit nor the taxing powers of the Village are pledged to the payment of the principal or interest of this Bond. Further, no property or other asset of the Village, except the above-referenced Revenues, is or shall be a source of payment of the Village's obligations hereunder.

This Bond is issued by the Village pursuant to, and in full conformity with, the Constitution and laws of the State of Wisconsin.

This Bond may be transferred or assigned, in whole or in part, only with the consent of the Village. Interests in this Bond may not be split, divided or apportioned. In order to transfer or assign the Bond, the transferee or assignee shall surrender the same to the Village either in exchange for a new, fully-registered municipal revenue obligation or for transfer of this Bond on the registration records for the Bond maintained by the Village. Each permitted transferee or

assignee shall take this Bond subject to the foregoing conditions and subject to all provisions stated or referenced herein and in the Development Agreement.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time.

IN WITNESS WHEREOF, the Village Board of the Village of Caledonia has caused this Bond to be signed on behalf of the Village by its duly qualified and acting Village President and Village Clerk/Treasurer, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

Village of Caledonia

Thomas Weatherston, Village President

Jennifer Olsen, Village Clerk

Schedule 1

Subject to the Village's actual receipt of Tax Increment and the terms and conditions of the Development Agreement, the Village shall make payments on the Bond to the Developer consistent with the "Developer MRO" column in the Schedule on the following pages.

Village of Caledonia, Wisconsin Tax Increment District #5

Tax Increment Projection Worksheet - Cardinal

Type of District				Rehabilitation		Base Value	
District Creation Date				May 6, 2019		Appreciation Factor	
Valuation Date				Jan 1, 2019		Base Tax Rate ¹	
Max Life (Years)				27		Rate Adjustment Factor	
Expenditure Period/Termination				22		246,000	
Revenue Periods/Final Year				27		0.00%	
Extension Eligibility/Years				Yes		\$17.02	
Eligible Recipient District				Yes		0.00%	
Construction Year	Value Added ²	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
2019		2020	0	0	2021	\$20.00	0
2020		2021	0	0	2022	\$19.22	0
2021		2022	0	0	2023	\$17.02	0
2022		2023	0	0	2024	\$17.02	0
2023	4,323,800	2024	0	4,323,800	2025	\$17.02	73,572
2024	3,430,200	2025	0	7,754,000	2026	\$17.02	131,938
2025	12,000,000	2026	0	19,754,000	2027	\$17.02	336,124
2026	20,000,000	2027	0	39,754,000	2028	\$17.02	676,434
2027	20,000,000	2028	0	59,754,000	2029	\$17.02	1,016,744
2028	0	2029	0	59,754,000	2030	\$17.02	1,016,744
2029	0	2030	0	59,754,000	2031	\$17.02	1,016,744
2030	0	2031	0	59,754,000	2032	\$17.02	1,016,744
2031	0	2032	0	59,754,000	2033	\$17.02	1,016,744
2032	0	2033	0	59,754,000	2034	\$17.02	1,016,744
2033	0	2034	0	59,754,000	2035	\$17.02	1,016,744
2034	0	2035	0	59,754,000	2036	\$17.02	1,016,744
2035	0	2036	0	59,754,000	2037	\$17.02	1,016,744
2036	0	2037	0	59,754,000	2038	\$17.02	1,016,744
2037	0	2038	0	59,754,000	2039	\$17.02	1,016,744
2038	0	2039	0	59,754,000	2040	\$17.02	1,016,744
2039	0	2040	0	59,754,000	2041	\$17.02	1,016,744
2040	0	2041	0	59,754,000	2042	\$17.02	1,016,744
2041	0	2042	0	59,754,000	2043	\$17.02	1,016,744
2042	0	2043	0	59,754,000	2044	\$17.02	1,016,744
2043	0	2044	0	59,754,000	2045	\$17.02	1,016,744
2044	0	2045	0	59,754,000	2046	\$17.02	1,016,744
2045	0	2046	0	59,754,000	2047	\$17.02	1,016,744
Totals	59,754,000		0		Future Value of Increment		20,536,198

¹Represents actual 2022/2023 TID Equalized Tax Rate per WI DOR form PC-202.

²Assumes minimum value guarantees only.

Village of Caledonia, Wisconsin

Tax Increment District #5

Cash Flow Projection - Cardinal Only

Year	Projected Revenues		Expenditures						Balances			
	Tax Increments	G.O. Promissory Notes, Series 2019 555,000 Dated Date: 11/26/19 Principal (4/1) Rate Interest	Taxable General Obligation Promissory Notes, Series 2021B 1,465,000 Dated Date: 04/01/21 Principal (4/1) Rate Interest	Water System and Sewerage System Revenue Bonds, Series 2021 1,105,000 Dated Date: 11/08/21 Principal (5/1) Rate Interest	Admin./ Professional Services	Cardinal Municipal Revenue Obligation	Total Expenditures	Annual	Cumulative	Principal/ Incentive Outstanding	Year	
2021	0	11,100			20,000		31,100	(31,100)	(31,100)	3,125,000	2021	
2022	0	11,100	32,648	30,195	20,000		93,942	(93,942)	(125,042)	3,125,000	2022	
2023	0	11,100	21,765	30,794	20,000		83,659	(83,659)	(208,701)	8,371,133	2023	
2024	0	11,100	20,765	30,094	20,000	0	216,959	(216,959)	(425,660)	8,236,133	2024	
2025	73,572	11,100	18,065	28,694	20,000	0	282,859	(209,287)	(634,947)	8,031,133	2025	
2026	131,938	11,100	15,265	27,194	20,000	0	333,559	(201,621)	(836,568)	7,771,133	2026	
2027	336,124	9,300	13,235	25,594	20,000	0	443,129	(107,005)	(943,572)	7,396,133	2027	
2028	676,434	185,000	10,415	23,994	20,000	0	555,059	121,375	(822,197)	6,901,133	2028	
2029	1,016,744	190,000	6,463	22,294	20,000	0	560,656	456,087	(366,110)	6,391,133	2029	
2030	1,016,744	1,016,744	2,200	45,000	20,000	287,940	650,634	366,110	0	5,783,193	2030	
2031	1,016,744			45,000	20,000	933,050	1,016,744	0	0	4,805,143	2031	
2032	1,016,744			50,000	20,000	929,700	1,016,744	0	0	3,825,443	2032	
2033	1,016,744			50,000	20,000	931,200	1,016,744	0	0	2,844,243	2033	
2034	1,016,744			70,000	20,000	912,650	1,016,744	0	0	1,861,593	2034	
2035	1,016,744			70,000	20,000	914,050	1,016,744	0	0	877,543	2035	
2036	1,016,744			70,000	20,000	337,543	438,837	577,907	577,907	470,000	2036	
2037	1,016,744			75,000	20,000	104,797	104,797	913,541	1,489,853	395,000	2037	
2038	1,016,744			75,000	20,000	8,203	103,203	915,181	2,403,394	320,000	2038	
2039	1,016,744			75,000	20,000	6,563	101,563	911,925	3,318,575	245,000	2039	
2040	1,016,744			80,000	20,000	4,819	104,819	913,775	4,230,500	165,000	2040	
2041	1,016,744			80,000	20,000	2,969	102,969	910,734	5,144,275	85,000	2041	
2042	1,016,744			85,000	20,000	1,009	106,009	996,744	6,055,009	0	2042	
2043	1,016,744				20,000		20,000	996,744	7,051,753	0	2043	
2044	1,016,744				20,000		20,000	996,744	8,048,497	0	2044	
2045	1,016,744				20,000		20,000	996,744	9,045,241	0	2045	
2046	1,016,744				20,000		20,000	996,744	10,041,984	0	2046	
2047	1,016,744				20,000		20,000	996,744	11,038,728	0	2047	
Total (2021-2047)	20,536,198	555,000	83,450	1,105,000	540,000	5,246,133	9,497,470				Total (2021-2047)	

Notes:

Net Present Value: \$4,100,000.00
Interest Rate: 2.50%

Cost Recovery Year - Cardinal Only

REGISTRATION PROVISIONS

This Bond shall be registered in registration records kept by the Village Clerk/Treasurer of the Village of Caledonia, Racine County, Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this Bond may thereafter be transferred only upon presentation of this Bond together with a written instrument of transfer approved by the Village and duly executed by the Registered Owner or his or her or its attorney, such transfer to be made on such records and endorsed hereon.

Date of Registration	Name of Registered Owner Clerk/Treasurer	Signature of Village
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT C
Preliminary Plans

See following three pages.

EXHIBIT D

Memorandum of Second Amended and Restated Development Agreement

	MEMORANDUM OF SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT
Document Number	Document Title
<p>THIS MEMORANDUM OF SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT (“Memorandum”) is made effective as of the day of June, 2024, by and between CCM-Caledonia, LLC, its successors and/or assigns (“Developer”), and the VILLAGE OF CALEDONIA, a municipal corporation of Racine County, Wisconsin (“Village”).</p>	
<div style="border-left: 1px solid black; padding-left: 10px;"><p>Recording Area</p><hr/><p>Name and Return Address Alan Marcuvitz, Esq. von Briesen & Roper, s.c. 411 East Wisconsin Avenue, Suite 1000 Milwaukee, WI 53202</p><hr/><p>104-04-23-21-003-000, 104-04-23-21-005-000 and <u>104-04-23-21-006-000</u></p><p>PIN</p></div>	

WITNESSETH:

WHEREAS, Developer and the Village entered into that certain Second Amended and Restated Development Agreement dated as of June ___, 2024 (**“Agreement”**). The full Amended and Restated Agreement is available for inspection and copies can be obtained at the Village of Caledonia Village Hall; and

WHEREAS, this Memorandum is being executed for the purpose of providing notice of the Agreement and certain terms thereof in the Office of the Register of Deeds for Racine County, State of Wisconsin in order to place third parties on notice of the Agreement and Developer’s and the Village’s rights and obligations thereunder, some of which are hereinafter summarized.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in the Agreement, Developer and the Village hereby acknowledge as follows:

1. PROPERTY. The “**Property**” is land located in the Village of Caledonia, Racine County, State of Wisconsin, legally described on Exhibit A attached hereto.

2. TERM. The Agreement shall run with the land pursuant to its terms unless terminated pursuant to its terms.

3. NO EXEMPT USE. Developer shall not transfer ownership or use of any portion of the Property to any entity which would render that parcel exempt from ad valorem taxes without the prior written consent of the Village. This provision runs with the land in perpetuity.

4. NO MODIFICATION; AGREEMENT CONTROLLING. This Memorandum is only a summary of some of the terms and conditions contained in the Agreement and this Memorandum is not intended in any way to amend, alter, modify, abrogate, substitute or otherwise affect any of the terms or conditions contained in the Agreement, all of which are hereby incorporated herein in full by this reference. It is hereby understood and agreed that, notwithstanding this Memorandum, the terms and conditions contained in the Agreement shall in all events control the relationship between Developer and the Village with respect to the subject matter therein contained. This Memorandum is solely for recording and notice purposes.

5. COUNTERPART SIGNATURES. This Memorandum may be signed in two or more counterparts, all of which, when taken together, shall constitute one and the same instrument.

6. TERMINATION OF PRIOR MEMORANDUM. This Memorandum terminates, replaces and supersedes the memorandum of a previous agreement recorded in the Office of the Register of Deeds for Racine County on August 23, 2022 as Document No. 2637281.


IN WITNESS WHEREOF, Developer and the Village have executed this Memorandum effective as of the date first written above.

DEVELOPER:

VILLAGE:

CCM-CALEDONIA, LLC

VILLAGE OF CALEDONIA

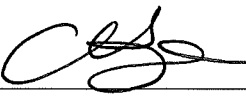
By: 
Name: Erich Schwenker
Title: President of Cardinal Capital
Management, Inc., Manager of
CCM-Caledonia, LLC

By: _____
Thomas Weatherston, Village President

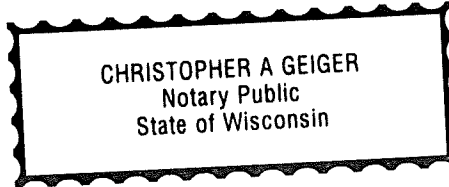
By: _____
Jennifer Olsen, Village Clerk

STATE OF WISCONSIN)
) ss.
MILWAUKEE COUNTY)

Personally appeared before me this 10th day of June, 2024, the above-named Erich Schwenker, the President of CCM-Caledonia, LLC, to me known to be the person who executed the foregoing agreement on behalf of the Developer and by its authority.



Notary Public State of Wisconsin
My commission expires: 3/29/26



STATE OF WISCONSIN)
) ss.
RACINE COUNTY)

Personally appeared before me this _____ day of June, 2024, the above-named Thomas Weatherston and Jennifer Olsen, Village President and Village Clerk, respectively of the Village of Caledonia, to me known to be the persons who executed the foregoing agreement on behalf of the Village and by its authority.

Notary Public State of Wisconsin
My commission expires: _____

This Document was drafted by:
Alan Marcuvitz, Esq.
von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202

EXHIBIT A

LEGAL DESCRIPTION

Lots 1, 2 and 3 of Certified Survey Map No. 3464, recorded in the Office of the Racine County Register of Deeds on August 19, 2021 as Document No. 2602721, being a part of the Northeast Fractional 1/4 of Section 21, Township 4 North, Range 23 East, Village of Caledonia, Racine County, Wisconsin.

Tax Parcel I.D. No.: 104-04-23-21-003-000;
104-04-23-21-005-000;
104-04-23-21-006-000.

41202051_4.DOCX