

**RESOLUTION NO. 2025-001  
VILLAGE OF CALEDONIA**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A  
TAXABLE TAX INCREMENT REVENUE BOND  
(SOUTH HILLS COMMERCE CENTER, LLC - TID NO. 4)**

**WHEREAS**, the Village of Caledonia, Wisconsin (the "Village") and Ashley Ventures, LLC, a Florida limited liability company qualified to do business in the State of Wisconsin, and its permitted successors and assigns ("Ashley Ventures") have entered into a development agreement dated December 23, 2024 (the "Development Agreement") pursuant to which the Ashley Ventures has undertaken site preparation for development projects within the Village (the "Development"); and

**WHEREAS**, Ashley Ventures assigned all of its right, title and interest in and to the Development Agreement to an entity under common ownership and control that being South Hills Commerce Center, LLC, a Wisconsin limited liability company (the "Developer") on December 23, 2024 and Developer will undertake development projects within the Village (the "Development"). Developer accepted such assignment and assumed all of Ashley Venture's obligations thereunder and agreed to be bound by all of the terms and conditions of the Development Agreement; and

**WHEREAS**, the Developer would not undertake the Development without the use of tax incremental financing to assist with the financing of the Development; and

**WHEREAS**, as an incentive to undertaking the Development, the Village has agreed to provide the Developer with financial assistance in connection with the Development by sharing tax increment generated on the Property (as defined in Development Agreement) within the Village's Tax Incremental District No. 4 (the "District"); and

**WHEREAS**, the development of the Property within the District constitutes a revenue-producing enterprise of the Village which is operated for a public purpose, and constitutes a "public utility" within the meaning of Section 66.0621 of the Wisconsin Statutes; and

**WHEREAS**, pursuant to Section 66.0621 of the Wisconsin Statutes and the terms of the Development Agreement, a portion of the financial assistance to be provided to the Developer will be evidenced by the issuance by the Village to the Developer of a tax increment revenue bond payable solely from certain tax increments generated from the Property which are appropriated by the Village Board to the payment of the Bond;

**NOW, THEREFORE, BE IT RESOLVED** by the Village Board of the Village of Caledonia, Wisconsin, as follows:

Section 1. Definitions. Capitalized terms used in this Resolution and not otherwise defined herein shall have the meaning provided for in the Development Agreement unless the context clearly requires a different meaning. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Paygo Tax Increment" is the annual payment due to the Developer under the Bond, and shall have the meaning provided in the Development Agreement.

"Payment Conditions" means the conditions set forth in the Development Agreement upon which the Village's obligation to make Paygo Tax Increment payments is contingent, and taking into consideration the definition of "TIF Default" in the Development Agreement.

"Tax Increment" in any year has the meaning provided in Development Agreement.

Section 2. Authorization and Terms of Bond. For the purpose of providing financial assistance to the Development in the District, as provided for under the Development Agreement, the Village shall issue its "Taxable Tax Increment Revenue Bond (Ashley - TID No. 4)" (the "Bond") to the Developer in consideration for the obligations undertaken by the Developer in the Development Agreement. The Bond shall be dated its date of issuance. No interest shall be payable or accrue on the Bond.

Subject to satisfaction by the Developer of the Payment Conditions, the Bond shall be payable in installments of principal on each MRO Payment Date. Subject to annual appropriation by the Village Board, the amount of the installment due on the Bond in each year shall be equal to the Paygo Tax Increment.

The schedule of payments on the Bond is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 3. Form of Bond. The Bond shall be in substantially the form set forth on Exhibit B of the Development Agreement and incorporated herein by this reference.

Section 4. Security for the Bond. This Bond is a special, limited revenue obligation of the Village and is payable only from the sources, to the extent, and subject to the qualifications stated or referenced herein. No property or other asset of the Village, except Paygo Tax Increment appropriated to make payments with respect to the Bond, is or shall be a source of payment of the Village's obligations hereunder.

The Bond shall be payable only out of the Special Redemption Fund provided for in Section 5 herein and shall be a valid claim of the registered owner only against the Special Redemption Fund and the Paygo Tax Increment pledged to such fund. The Paygo Tax Increment appropriated by the Village Board to the payment of the Bond each year is hereby pledged to such Special Redemption Fund, and shall be used for no other purpose than payment of the Bond.

This Bond shall not constitute a debt or obligation of the Village within the meaning of any state constitutional provision, statutory limitation, or charter provision or limitation thereof and shall not be a charge against its general credit or taxing powers.

As stated above, the application of Paygo Tax Increment to payment of the Bond is subject to future annual appropriation by the Village Board. However, the Village fully expects and anticipates that to the extent Paygo Tax Increment is generated and received by the Village, it will appropriate such Paygo Tax Increment to the payment of the Bond.

The Village shall have no obligation to make any payments on the Bond while there exists and is outstanding a TIF Default, as defined in the Development Agreement.

Section 5. Special Redemption Fund. For the purpose of the application and proper allocation of the Paygo Tax Increment appropriated to the payment of the Bond, and to secure the payment of the principal of the Bond, the Special Redemption Fund is hereby created and shall be used solely for the purpose of paying the Bond in accordance with the provisions of the Bond and this Resolution.

Uninvested money in the Special Redemption Fund shall be kept on demand deposit with such bank or banks as may be designated from time to time by the Village as public depositories under the laws of Wisconsin. Such deposits of Special Redemption Fund money shall be secured to the fullest extent required by the laws of Wisconsin and the general investment policy of the Village.

Money in the Special Redemption Fund, if invested, shall be invested in direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America, or in certificates of deposit secured by such obligations and issued by a state or national bank which is a member of the Federal Deposit Insurance Corporation and is authorized to transact business in the State of Wisconsin, maturing not later than the date such money must be transferred to make payments on the Bond, or in the local government pooled-investment fund. All income from such investments shall be deposited in the Special Redemption Fund. Such investments shall be liquidated at any time when it shall be necessary to do so to provide money for any of the purposes for the Special Redemption Fund.

All Paygo Tax Increment appropriated to the payment of the Bond shall be deposited in the Special Redemption Fund, and no other fund is created by this Resolution.

Section 6. Application of Paygo Tax Increment to Payment of the Bond. On or before the MRO Payment Date each year, the Village shall apply to the payment of the Bond the Paygo Tax Increment which has been appropriated by the Village Board to the payment of the Bond; provided, however, such payments shall end on the MRO Maturity Date.

This Bond shall be deemed paid in full on the MRO Maturity Date, the obligation of the Village to make any further payment shall terminate on that date, and the Developer shall have no right to receive any further payment on this Bond. The Village makes no representation or

covenant, express or implied, that Paygo Tax Increment will be generated. The Village's obligation to make payments on the Bond is limited to Paygo Tax Increment and is further subject to annual appropriation by the Village Board.

If for any reason the District terminates (other than by voluntary action of the Village) prior to the final payment date, then the remaining balance on the Bond shall be deemed paid in full, it being understood that upon such termination of the District, the obligation of the Village to make any further payments on the Bond shall also terminate. The Village shall have no obligation to pay any amount of the Bond which remains unpaid upon termination of the District, and the owner of the Bond shall have no right to receive payment of such amounts.

Section 7. Village Covenants. It is covenanted and agreed by the Village with the Developer that the Village will take no action, other than action required under Wisconsin Statutes, to dissolve the District prior to the payment in full of the Bond, unless the Village pays the Developer the total amount of Paygo Tax Increment that would have been paid under the Bond through the MRO Maturity Date if the Village did not terminate the District early (which may be less than the full amount of the Bond).

Section 8. Persons Treated as Owners; Transfer of Bond. The Village Treasurer shall keep books for the registration and for the transfer of the Bond. The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond may be transferred or assigned by the registered owner thereof only under the circumstances provided for in the Development Agreement and only by surrender of the Bond at the office of the Village Treasurer accompanied by (1) an assignment duly executed by the registered owner or his attorney duly authorized in writing; and (2) a completed remittance direction form providing contact information including a phone number, email address, physical address and remittance instructions. A copy of the blank remittance direction form can be obtained from the Village Finance Director. Upon such transfer or assignment, the Village Treasurer shall record the name of the transferee or assignee in the registration book and note such transfer or assignment on the Bond and re-issue the Bond (or a new Bond or Bonds of like aggregate principal amount and maturity).

The Bond may be exchanged for a new Bond or Bonds of like aggregate principal amount and maturity; provided however, that the Village will only make payments on the Bond or Bonds to the registered owner of the Bond.

Section 9. General Authorizations. The Village President and Village Clerk and the appropriate deputies and officials of the Village in accordance with their assigned responsibilities are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable

to accomplish the purposes of this Resolution and to comply with and perform the obligations of the Village under the Development Agreement and the Bond.

The Bond shall be signed by the manual or facsimile signatures of the Village President and Village Clerk of the Village (provided that, unless the Village has contracted with a fiscal agent to authenticate the Bond, at least one of such signatures shall be manual), and sealed with the corporate seal of the Village, or a facsimile thereof.

In the event that said officers shall be unable by reason of death, disability, absence or vacancy of office to perform in timely fashion any of the duties specified herein (such as the execution of the Development Agreement or the Bond), such duties shall be performed by the officer or official succeeding to such duties in accordance with law and the rules of the Village.

Section 10. Severability of Invalid Provisions. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining sections, paragraphs and provisions of this Resolution.

Section 11. Effective Date. This Resolution shall be effective immediately upon its passage and approval.

Adopted, approved and recorded 14, 2025.

  
Tom Weatherston, Village President

ATTEST:

  
Jennifer Bass, Village Clerk

