

## COLLATERAL ASSIGNMENT OF TIF AGREEMENT

THIS COLLATERAL ASSIGNMENT OF TIF AGREEMENT (this “**Assignment**”) is made as of \_\_\_\_\_, 2023, by and among **SHEBOYGAN PRESS, LLC**, a Wisconsin limited liability company (“**Borrower**”), **Cardinal Capital Development, LLC**, a Wisconsin limited liability company (“**Developer**,” and together with Borrower, the “**Assignor**”) in favor of **FIRST BUSINESS BANK** (“**Lender**”).

### RECITALS

A. Borrower owns, or will own, the property located at 632 Center Avenue, located in the City of Sheboygan, State of Wisconsin (the “**Property**”). Borrower intends to develop the Property as a 28-unit multi-family apartment project located on the Property with other related improvements (collectively, the “**Project**”).

B. Subject to the terms and conditions of that certain Loan Agreement between Borrower and Lender of even date herewith (the “**Loan Agreement**”), Lender is willing to make (i) a term loan to the Borrower in an original principal amount of \$5,800,000 (the “**Term Loan**”), as evidenced by Term Note dated of even date herewith from Borrower to Lender in the aggregate original principal amount of the Term Loan (the “**Term Note**”); and (ii) a bridge loan to the Borrower in an original principal amount of [ \$ \_\_\_\_\_ ] (the “**Bridge Loan**,” together with the Term Loan, the “**Loans**”), as evidenced by Bridge Note dated of even date herewith from Borrower to Lender in the aggregate original principal amount of the Bridge Loan (the “**Bridge Note**” and together with the Term Note, the “**Notes**”);

C. Borrower, Developer and the City of Sheboygan (the “**City**”) entered into that certain Development Agreement, dated December 20, 2022, as amended by the Amendment to Development Agreement, dated February 21, 2023 (and as further amended, collectively, the “**TIF Agreement**”), pursuant to which the City has agreed to provide certain development incentive payments to Borrower or Developer up to a principal amount of \$1,330,000.00 (the “**TIF Payments**”).

D. Lender requires Assignor to execute and deliver this Assignment as collateral for the Loans.

### AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Borrower, Borrower hereby agrees as follows:

1. Assignment. As security for Borrower’s obligations under the Notes, the Loan Agreement and the other documents evidencing or securing the Loans (collectively, the “**Loan Documents**”) (collectively, the “**Obligations**”), Assignor hereby collaterally assigns to Lender all of its right, title, and interest in and to the TIF Agreement, including all of Assignor’s rights to

receive the TIF Payments thereunder, it being understood and agreed that, if and when the Obligations are satisfied in full, then this Assignment shall terminate.

2. Lender's Rights Upon Default. If a default occurs under the Loan Documents beyond any applicable notice and cure period (an "**Event of Default**"), then Lender may at its option upon written notice to Borrower and the City, but without any obligation to do so, elect to assume Assignor's rights and obligations under the TIF Agreement, in which case Lender shall have all of the rights and obligations of Assignor under the TIF Agreement from and after the date of notice to the City. Prior to the occurrence of an Event of Default and the written election by Lender to assume Assignor's rights and obligations under the TIF Agreement, nothing in this Agreement shall be construed as an assumption by Lender of any liability or obligation of Assignor under the TIF Agreement. Nothing herein constitutes a release by the City of Assignor from its obligations under the TIF Agreement even if Lender elects to assume Assignor's rights and obligations thereunder, and to the extent the TIF Agreement is not performed by Lender, Assignor remains responsible to the City for all of its obligations under the TIF Agreement.

3. Performance of Assignor. Assignor shall faithfully abide by, perform and discharge each of Assignor's obligations, covenants and agreements under the TIF Agreement and shall take such actions as may be necessary or required under the TIF Agreement to cause the Minimum Investment in the Project and the prompt commencement of TIF Payments to Borrower thereafter. Without the prior written consent of Lender, Assignor shall not (a) modify or in any way alter the terms of the TIF Agreement, (b) pledge or assign the TIF Agreement, (c) waive any of its rights under the TIF Agreement, (d) terminate or surrender the TIF Agreement, or (d) cause or permit the TIF Payments to be made to any party but Borrower or Lender. Developer hereby acknowledges and agrees and directs the City that all TIF Payments shall be paid to Borrower (not to Developer).

4. TIF Loan Proceeds. Borrower shall, immediately upon receipt of any TIF Payments from the City, deposit such funds into Borrower's operating account established with Lender; which funds may be used to pay Project Operating Expenses or disbursed only in accordance with Section 6.2 of Borrower's Operating Agreement. Upon notice from Lender to the City, with a copy to Borrower, of an Event of Default under the Loan Documents or otherwise upon Lender's request, Borrower and Developer authorize and direct the City to make the TIF Payments due to Borrower to Lender directly. The City shall have no obligation to verify any of the information in such notice.

5. Protect Security. At Borrower's sole cost and expense, Borrower shall appear and defend any action or proceeding arising under, during, out of or in any manner connected with the TIF Agreement or the obligations, duties or liabilities of Assignor under the TIF Agreement, and shall pay any reasonable costs and expense of Lender, including reasonable attorneys' fees, in any such action or proceeding in which Lender decides, in its sole discretion, to appear.

6. Representations and Covenants. Assignor represents and warrants that (a) Assignor has the full right to collaterally assign the TIF Agreement; (b) the TIF Agreement is valid, is in full force and effect and has not been modified or amended; (c) Lender shall have a first priority lien and security interest in and to the TIF Agreement and the TIF Payments, there

are no outstanding assignments or pledges of the TIF Agreement or TIF Payments and Assignor shall not make any further assignments or pledges of the TIF Agreement or TIF Payments during the term of the Loans without the consent of Lender; and (e) there are no existing defaults, rights of setoff, or claims for additional payments under the TIF Agreement.

7. Authorization. Upon an Event of Default, Assignor irrevocably constitutes and appoints Lender its true and lawful attorney-in-fact in Assignor's name or in Lender's name, or otherwise, to enforce all rights of Assignor under the TIF Agreement, and such power, being coupled with an interest, is irrevocable.

8. No Liability For Lender. Subject to the Provisions of Section 2, Lender shall not be obligated to perform or discharge and does not by this Assignment undertake to perform or discharge any obligation, duty or liability under the TIF Agreement.

9. Assignor Holds Lender Harmless. Assignor shall indemnify and hold Lender harmless of and from (a) any and all liability, loss or damage which it incurs under the TIF Agreement or by reason of this Assignment; and (b) any and all claims and demands which are asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the TIF Agreement. The amount of all such liabilities, losses, damages, claims and demands, and the cost of defending against them, including costs, expenses and reasonable attorneys' fees, are secured by this Assignment and constitute part of the Obligations. Assignor shall reimburse Lender for such amounts immediately upon demand.

10. Security Interest in Agreements. In addition, Assignor hereby grants to Lender a security interest in Assignor's right, title, and interest in the TIF Agreement and the TIF Payments, if and to the extent that a security interest may be granted therein under the Wisconsin Uniform Commercial Code, and Assignor acknowledges that Lender shall have all of the rights and remedies with respect thereto provided for by the Wisconsin Uniform Commercial Code, in addition to the other rights and remedies herein granted to Lender, in the event of the occurrence of an Event of Default.

11. Successors and Assigns. This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of Lender, its successors and assigns. Assignor shall not assign its obligations or interests under the TIF Agreement or under this Assignment without Lender's prior written consent.

12. Governing Law. This Assignment shall be governed by the laws of the State of Wisconsin.

13. Validity Clause. This Assignment shall confer to Lender the rights and benefits described in this Assignment to the full extent allowable by law. The unenforceability or invalidity of any of the provisions of this Assignment shall not render any other provision or provisions unenforceable or invalid. Any provision found to be unenforceable shall be severable from this Assignment without invalidating the remainder of such provision or the remaining provisions of this Assignment.

14. Notices And Approvals. Any notice that either party may desire or may be required to give to any other party shall be in writing and shall be delivered as required under the Loan Documents, and, with respect to Assignor, shall be sent to the following address: c/o Cardinal Capital Management, Inc., 901 S. 70<sup>th</sup> Street, West Allis, WI 53214, Attn: Erich Schwenker.

15. Counterparts. This Assignment may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one instrument. The signature of a party to this Assignment transmitted by facsimile or electronic mail to the other party shall be deemed an original signature.

[Signature on the following page.]

SIGNATURE PAGE TO COLLATERAL ASSIGNMENT OF  
TIF AGREEMENT AND TIF BOND

Dated as of the date first set forth above.

**ASSIGNOR:**

SHEBOYGAN PRESS, LLC

By: Sheboygan Press MM, LLC  
Its: Managing Member

By: Cardinal Capital Management, Inc.  
Its: Manager

By: \_\_\_\_\_  
Erich Schwenker, President

CARDINAL CAPITAL DEVELOPMENT, LLC

By: \_\_\_\_\_

## **CONSENT OF CITY AND ESTOPPEL**

THIS CONSENT OF CITY AND ESTOPPEL is made by the City of Sheboygan (the “City”) for the benefit of First Business Bank (“Lender”) with respect to that certain Development Agreement, dated December 20, 2022, as amended by the Amendment to Development Agreement, dated February 21, 2023, between Sheboygan Press, LLC (“Borrower”), Cardinal Capital Development, LLC (“Developer,” and together with the Borrower, the “Assignor”), and the City (the “TIF Agreement”).

1. Payment Direction. Upon written request of Lender, City agrees to make all Development Incentive Payments (as defined in the TIF Agreement) directly to Lender at the following address: First Business Bank, 401 Charmany Drive, Madison, WI 53719 until Lender further notifies the City that the Obligations have been paid in full and the Assignment terminated.

2. Consent to Assignment. The City hereby consents to the foregoing Collateral Assignment of TIF Agreement (the “Assignment”) and agrees that if Lender notifies the City in writing that Lender is exercising its right to assume Assignor’s rights and obligations under the TIF Agreement, the City shall continue to perform its obligations under the terms of the TIF Agreement in the manner specified in the therein as if Lender were originally a party to the TIF Agreement. Lender’s obligations under the foregoing Assignment are not personal obligations or binding on any of Lender’s assets, except Lender’s interest in the Property, if any.

3. No Release. Nothing in the foregoing Assignment constitutes a release by the City of Assignor from its obligations under the TIF Agreement even if Lender elects to assume Assignor’s rights and obligations thereunder, and to the extent the TIF Agreement is not performed by Lender, Assignor remains responsible to the City for all of its obligations under the TIF Agreement.

3. Notice and Cure Rights. The City shall provide Lender with copies of any notices given to Assignor under the TIF Agreement, in the same manner and at the same time as required thereunder to the following address: First Business Bank, 401 Charmany Drive, Madison, WI 53719 Attention: Brian Hagen. City agrees that Lender shall have the right to cure any default by Assignor under the TIF Agreement and City agrees to accept any cure of such a default by Lender as if such cure were tendered or performed by Assignor.

4. Estoppel. City represents and warrants to Lender that as of the date hereof: (i) the TIF Agreement is and remains in full force and effect, (ii) no default currently exists under the TIF Agreement and no condition exists which, with the passage of time, would constitute a default under the Agreement or would prevent the payment of the Development Incentive Payments in accordance with the TIF Agreement.

5. No Amendment. City agrees that it shall not, without the prior written consent of the Lender, amend or modify or consent to any modification or amendment of the TIF Agreement.

6. Conflict. Assignor acknowledges that City's consent is granted only insofar as said terms and conditions do not conflict with the terms of the TIF Agreement. Any conflict between the terms of the Assignment and TIF Agreement shall be resolved pursuant to the language of the TIF Agreement.

[Signature on Following Page]

CITY OF SHEBOYGAN

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT A**  
**LEGAL DESCRIPTION**