CITY OF MERRILL

COMMON COUNCIL

AGENDA ● THURSDAY OCTOBER 29, 2020

Special Meeting **City Hall Council Chambers** **6:00 PM**

I. Call to Order

II. Silent Prayer

III. Pledge of Allegiance

IV. Public Comment Period

V. General Agenda Item:

1. Consider assignment of Development Agreement between Merrill Hotel Group LLC and Black Bear Motel LLC. Mayor Woellner is bringing this directly to the Common Council.

VI. Resolutions:

1. A Resolution awarding the sale of $3,500,000 General Obligation Corporate Purpose Bonds, Series 2020C
2. A Resolution authorizing the issuance and establishing parameters for the sale of not to exceed $4,550,000 Tax Increment Revenue Refunding Bonds (TID 3), Series 2020D

VII. Adjournment

William N. Heideman, CMC, WCMC
City Clerk

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at (715) 536-5594.

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of this ____ day of _______________, 2020 ("Effective Date") by and between Merrill, LLC, a Wisconsin limited liability company ("Assignor"), Black Bear Motel, LLC a Wisconsin limited liability company ("Assignee") and the City of Merrill, Wisconsin, a political subdivision of the State of Wisconsin.

RECITALS

WHEREAS, Assignor entered into a Development Agreement dated September 27, 2017 recorded with the Lincoln County Clerk of Courts on ______________________ as __________________________ ("Development Agreement") with the City for the rehabilitation of a lodging facility on that certain real estate located at 3209 East Main Street, Merrill, WI 54452, as more particularly described on Exhibit A, attached hereto and incorporated herein by reference ("Property");

WHEREAS, Assignor entered into that certain Purchase and Sale Agreement with Assignee dated September 24, 2020 whereby Assignee has agreed to purchase the Property;

WHEREAS, Assignor desires to assign the Development Agreement to Assignee and Assignee desires to accept such assignment;

WHEREAS, pursuant to Section 3.06 of the Development Agreement, neither the City nor Assignor may assign its rights under the Development Agreement without the consent of the other party; and

WHEREAS, the City desires to consent to the assignment of the Development Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and consideration set forth herein, Assignor and Assignee agree as follows:

1. Assignor hereby nominates Assignee as the substitute "Developer" under the Development Agreement. Assignor further assigns to Assignee Assignor's entire right, title and interest in, to and under the Development Agreement. Assignee hereby assumes all rights and obligations relating to the Development Agreement and agrees to be bound by all the provisions of the same as if Assignee were the original Developer.

2. This Agreement shall relieve Assignor of any and all duties, obligations or liabilities under the Development Agreement.

3. The City hereby consents to the assignment set forth above.

4. Except as otherwise expressly modified herein, the terms and provisions of the Development Agreement shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date first written above.

ASSIGNOR:
MERRILL HOTEL GROUP, LLC
a Wisconsin limited liability company

By: ________________________________
Name: Brian Wogernese
Title: Managing Member

Date: ________________________________

ASSIGNEE:
BLACK BEAR MOTEL, LLC
a Wisconsin limited liability company

By: ________________________________
Name: Travis Turner
Title: Managing Member

Date: ________________________________

CITY:
CITY OF MERRILL, WI
a political subdivision of the State of Wisconsin

By: ________________________________
Name: Derek Woellner
Title: Mayor

Date: ________________________________

By: ________________________________
Name: William Heideman
Title: City Clerk

Date: ________________________________

By: ________________________________
Name: Katherine G. Unertl
Title: Finance Director

Date: ________________________________

Approved as to Form:

By: ________________________________
Name: Thomas Hayden
Title: City Attorney

Date: ________________________________

EXHIBIT A

PROPERTY

Lot One (1) of Lincoln County Certified Survey Map. No. 696 recorded in the office of the Register of Deeds for Lincoln County, Wisconsin, in Volume 3 of Certified Survey Maps on Page 253, As Document No. 325438; being a part of Government Lot Three (3), Section Eighteen (18), Township Thirty-one (31) North, Range Seven (7) East, in the City of Merrill, Lincoln County, Wisconsin.

a/k/a 3209 E. Main Street, Merrill, WI

Tax Parcel ID No. - 251-3106-132-0009

RESOLUTION NO. ______

RESOLUTION AWARDING THE SALE OF $3,500,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020C

WHEREAS, on September 8, 2020, the Common Council of the City of Merrill, Lincoln County, Wisconsin (the "City") adopted initial resolutions (collectively, the "Initial Resolutions") authorizing the issuance of general obligation bonds for the following public purposes, in the following not to exceed amounts: $1,395,000 for street improvement projects; $50,000 for parks and public grounds projects; $275,000 for community development projects in the City's Tax Incremental Districts; $210,000 for sewerage projects; $75,000 for library projects; $360,000 for water system projects (collectively, the "Project") and $1,145,000 for refunding certain outstanding obligations of the City (the "Refunding");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolutions authorizing the Project, the City Clerk caused a notice to electors to be published in the Merrill Foto Times, stating the purpose and maximum principal amount of the bond issues authorized by the Initial Resolutions authorizing the Project and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issues, relating to the Project, authorized by the Initial Resolutions;

WHEREAS, no petition for referendum was filed with the City Clerk, and the time to file such a petition has expired;

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, the obligations to be refunded are the General Obligation Promissory Notes, Series 2013B, dated September 4, 2013 (the "2013 Notes"); State Trust Fund Loan, dated December 17, 2019 (the "December 2019 Loan"); the State Trust Fund Loan, dated March 30, 2020 (the "March 2020 Loan"); the State Trust Fund Loan, dated June 1, 2020 (the "June 2020 Loan") and the General Obligation Promissory Note, dated September 22, 2020 (the "2020A Note") (collectively, the "Refunded Obligations");

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purposes of achieving debt service savings and to restructure its outstanding indebtedness;

WHEREAS, on September 8, 2020, the Common Council of the City also adopted a resolution (the "Set Sale Resolution"), providing that the general obligation bond issues authorized by the Initial Resolutions be combined, issued and sold as a single issue of bonds designated as "General Obligation Corporate Purpose Bonds" (the "Bonds") for the purpose of paying the cost of the Project and the Refunding;

WHEREAS, the City is authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation bonds for such public purposes and to refinance its outstanding obligations;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds to pay the cost of the Project and the Refunding;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on October 29, 2020;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on October 29, 2020;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation");

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Common Council now deems it necessary, desirable and in the best interest of the City that the Bonds be issued in the aggregate principal amount of $____________ for the following purposes and in the following amounts: $____________________ for street improvement projects; $____________________ for parks and public grounds projects; $____________________ for community development projects in the City's Tax Incremental Districts; $____________________ for sewerage projects; $____________________ for library projects; $____________________ for water system projects; and $____________________ for the Refunding.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Ratification of the Notice of Sale and Offering Materials. The Common Council hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1A. Authorization and Award of the Bonds. For the purpose of paying the cost of the Project and the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS ($3,500,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be applied in accordance with the Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Corporate Purpose Bonds, Series 2020C"; shall be issued in the aggregate principal amount of $3,500,000; shall be dated November 17, 2020; shall be in the denomination of $5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on May 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2021. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 2A. Designation of Maturities. For purposes of State law, the Bonds are designated as being issued to pay and discharge the debts incurred by the City through the issuance of the Refunded Obligations in the order in which those debts were incurred, so that the Bonds of the earliest maturities are considered to be issued to discharge the debts which were incurred first.

Section 3. Redemption Provisions. The Bonds maturing on May 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on May 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.**]**

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2020 through 2039 for the payments due in the years 2021 through 2040 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Corporate Purpose Bonds, Series 2020C, dated November 17, 2020" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Bonds have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds and the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any 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 any 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.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to Old National Bank at Closing for further distribution as directed by Ehlers.

Section 17. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 19. Redemption of the 2013 Notes. The 2013 Notes are hereby called for prior payment and redemption on December 1, 2020 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Ehlers to cause timely notice of redemption, in substantially the form attached hereto as Exhibit F and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice. Any and all actions heretofore taken by the officers and agents of the City to effectuate the redemption of the 2013 Notes are hereby ratified and approved.

Section 20. Redemption of the December 2019 Loan, the March 2020 Loan and the June 2020 Loan. The December 2019 Loan, the March 2020 Loan and the June 2020 Loan are hereby called for prior payment and redemption on January 4, 2021 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to take all actions necessary for the redemption of the December 2019 Loan, the March 2020 Loan and the June 2020 Loan on their redemption date. Any and all actions heretofore taken by the officers and agents of the City to effectuate such redemption are hereby ratified and approved.

Section 21. Redemption of the 2020A Note. The 2020A Note is hereby called for prior payment and redemption on November 18, 2020 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to take all actions necessary for the redemption of the 2020A Note on its redemption date. Any and all actions heretofore taken by the officers and agents of the City to effectuate such redemption are hereby ratified and approved.

Section 22. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 23. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 24. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Recommended by: The Common Council

CITY OF MERRILL, WISCONSIN

____
Derek Woellner
Mayor

Moved: ________________________

Passed: ________________________

____
William N. Heideman
City Clerk

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

[EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on May 1, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on May 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on May 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on May 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on May 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)]

EXHIBIT E

(Form of Bond)

UNITED STATES OF AMERICA

REGISTERED | STATE OF WISCONSIN | DOLLARS

LINCOLN COUNTY

NO. R-___ | CITY OF MERRILL | $_______

GENERAL OBLIGATION CORPORATE PURPOSE BOND,
SERIES 2020C

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
May 1, _____	November 17, 2020	____%	_______

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: ______________________ THOUSAND DOLLARS
($__________)

FOR VALUE RECEIVED, the City of Merrill, Lincoln County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2021 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Bond Trust Services Corporation, Roseville, Minnesota (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of $________, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the following public purposes in the following amounts: $__________________ for street improvement projects; $__________________ for parks and public grounds projects; $__________________ for community development projects in the City's Tax Incremental Districts; $__________________ for sewerage projects; $__________________ for library projects; $__________________ for water system projects; and $__________________ for refunding certain outstanding obligations of the City, as authorized by resolutions adopted on September 8, 2020 and October 29, 2020 (collectively, the "Resolution"). Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on May 1, 2029 and thereafter are subject to redemption prior to maturity, at the option of the City, on May 1, 2028 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years ________ are subject to mandatory redemption by lot as provided in the Resolution referred to above, at the redemption price of par plus accrued interest to the date of redemption and without premium.**]**

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

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; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Merrill, Lincoln County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF MERRILL
LINCOLN COUNTY, WISCONSIN

By: ______________________________
Derek Woellner
Mayor

By: ______________________________
William N. Heideman
City Clerk

Date of Authentication: _______________, ______

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned resolution of the City of Merrill, Lincoln County, Wisconsin.

BOND TRUST SERVICES
CORPORATION,
ROSEVILLE, MINNESOTA

By____________________________
Authorized Signatory

QB\65355860.2

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
(Name and Address of Assignee)

____
(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints ___________________________________, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:

____
(e.g. Bank, Trust Company or Securities Firm)

____
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

____
(Authorized Officer)

EXHIBIT F

NOTICE OF FULL CALL*

CITY OF MERRILL
LINCOLN COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES,
SERIES 2013B, DATED SEPTEMBER 4, 2013

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called for prior payment on December 1, 2020 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

Maturity Date	Principal Amount	Interest Rate	CUSIP No.
2021	$125,000	3.00%	590230RC4
2022	130,000	3.00	590230RD2
2023	135,000	3.00	590230RE0

Upon presentation and surrender of said Notes to Bond Trust Services Corporation, Roseville, Minnesota the registrar and fiscal agent for said Notes, the registered owners thereof will be paid the principal amount of the Notes plus accrued interest to the date of prepayment.

Said Bonds/Notes will cease to bear interest on December 1, 2020.

By Order of the
Common Council
City of Merrill
City Clerk

Dated ______________________

* To be provided to Bond Trust Services Corporation at least thirty-five (35) days prior to December 1, 2020. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to December 1, 2020 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED $4,550,000 TAX INCREMENT REVENUE REFUNDING BONDS (TID 3), SERIES 2020D

WHEREAS, Tax Incremental District No. 3 (“TID 3”) has been established by the City of Merrill, Lincoln County, Wisconsin (the “City”) as a mixed use district for the purpose of promoting a combination of commercial, industrial and residential development within the City;

WHEREAS, the commercial, industrial and residential development within TID 3 constitutes a revenue-producing enterprise of the City which is operated for a public purpose and constitutes a "public utility" within the meaning of Section 66.0621, Wis. Stats.;

WHEREAS, in order to finance project costs in the project plan for TID 3, the City previously issued its (i) Tax Increment Revenue Bond (TID No. 3), Series 2017A, dated October 10, 2017 (the "2017 Bond"), (ii) Tax Increment Revenue Bond (TID No. 3), Series 2018C, dated October 23, 2018 (the "2018 Bond") and (iii) Note Anticipation Notes, Series 2019B, dated October 30, 2019 (the "2019 NAN")(collectively, the 2017 Bond, the 2018 Bond and the 2019 NAN shall be referred to herein as the "Refunded Obligations");

WHEREAS, the City has determined that it is necessary and desirable to refinance the 2019 NAN which matures on December 1, 2020 for the purpose of providing permanent financing for the projects financed by the 2019 NAN and to refinance the 2017 Bond and the 2018 Bond for the purpose of achieving debt service savings (collectively, the "Refunding");

WHEREAS, the City has determined that it is necessary, desirable and in the best interest of the City to raise the funds needed to accomplish the Refunding by issuing Tax Increment Revenue Refunding Bonds (TID 3), Series 2020D pursuant to Section 66.0621, Wis. Stats., (the "Bonds");

WHEREAS, other than the 2017 Bond, the 2018 Bond (both of which will be refunded by the Bonds) and the Development Incentives (defined in Section 4), no bonds or obligations payable from the Revenues are now outstanding;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable, and in the best interest of the City to authorize the issuance of and to sell the Bonds to D.A. Davidson & Co. (the "Purchaser") and to direct its municipal advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell the Bonds, and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desireable and in the best interest of the City to delegate to the Finance Director-Treasurer or the City Clerk of the City (each an "Authorized Officer") the authority to accept a Bond Purchase Agreement in substantially the form attached hereto as Exhibit A for the purchase of the Bonds (the "Proposal") on behalf of the City so long as the Proposal meets the terms and conditions set forth in this Resolution by executing the Approving Certifcate in substantially the form attached hereto as Exhibit B and incorporated herein by this reference (the "Approving Certificate").

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City:

Section 1. Authorization and Sale of the Bonds; Purchase Price. For the purpose of paying the costs of Refunding, the City is authorized to borrow the principal sum of not to exceed FOUR MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS ($4,550,000) from the Purchaser upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 2 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the City, Bonds in a principal amount of not to exceed FOUR MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS ($4,550,000). The purchase price to be paid to the City for the Bonds shall not be less than 99% of the principal amount of the Bonds.

Section 2. Condition on Issuance and Sale of the Bonds; Authorization of the Proposal. The issuance of the Bonds and the sale of the Bonds to the Purchaser is subject to approval by an Authorized Officer of the principal amount, definitive maturities, mandatory redemption provisions, interest rates and purchase price for the Bonds, which approval shall be evidenced by execution of the Approving Certificate. The Bonds shall not be issued, sold or delivered until this condition is satisfied. Upon satisfaction of this condition, the Authorized Officer is authorized to execute the Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

The provisions and terms included in the Proposal attached hereto are hereby approved. Subject to satisfaction of the conditions above, the Authorized Officer is hereby authorized to execute the Proposal with such insertions or deletions as the City Attorney or Bond Counsel deems are consistent with this Resolution. The Authorized Officer is hereby authorized to execute and deliver any documents or take any other actions required under the Proposal to effectuate the issuance and sale of the Bonds. The City hereby states that all representations in Section 5 of the Proposal are true and correct.

Section 3. Terms of the Bonds. The Bonds shall be designated "Tax Increment Revenue Refunding Bonds (TID 3), Series 2020D"; shall be issued in the aggregate principal amount of up to $4,550,000; shall be dated as of their date of issuance; shall be in the denomination of $5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on October 1 of each year beginning in 2021 and ending no later than the year 2026 in the principal amounts set forth below; provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to $100,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed $4,550,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of $4,395,000.

Year	Amount
2021	$ 635,000
2022	635,000
2023	650,000
2024	665,000
2025	680,000
2026	1,130,000

Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2021 (each, a "Bond Payment Date"). The schedule of principal and interest payments due on the Bonds on each Bond Payment Date shall be set forth in the Approving Certificate. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) will not exceed 2.75%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of maturities or mandatory redemptions is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices and will be confirmed in the Approving Certificate.

The Common Council hereby determines that the Refunding is advantageous and necessary to the City.

The Bonds shall not be subject to optional redemption prior to maturity.

If the Proposal specifies that certain of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Exhibit MRP.

Section 4. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds are limited obligations of the City and shall be payable only out of the Special Redemption Fund as hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund (including the Reserve Account) and from the Revenues (defined below) pledged to such fund.

The Bonds shall be payable solely from (a) Available Tax Increment which has been received and retained by the City in accordance with the provisions of Section 66.1105 of the Wisconsin Statutes and appropriated by the Common Council to the payment of the Bonds and (b) any other funds of the City appropriated by the Common

Council for payment of the Bonds as provided in Section 5 below (hereinafter referred to collectively as "Revenues").

"Available Tax Increment" means an amount equal to the annual gross tax increment revenue actually received and retained by the City which is generated by the increment value of the property in TID 3.

If TID 3 is terminated earlier than the final maturity date of the Bonds as a result of the repeal or amendment of Section 66.1105, Wisconsin Statutes, or for any other reason beyond the control of the City, and the Bonds, after applying all funds in the Special Redemption Fund (including the Reserve Account), remain outstanding and unpaid, then the remaining outstanding Bonds shall be deemed paid in full, it being understood that upon such termination of TID 3, the obligation of the City to make any further payments on the Bonds shall also terminate. The City shall have no obligation to pay any amount of the Bonds which remains unpaid upon termination of TID 3 and the owner or owners of the Bonds shall have no right to receive payment of such amounts.

The City has various development agreements in place which require the City to pay cash incentive payments to private developers (the "Development Incentives") out of Available Tax Increment (defined herein) and those Development Incentives shall have a claim on Available Tax Increment on a basis junior and subordinate to that of the Bonds.

Section 5. Statement of Intent to Appropriate. As stated above, the application of the Available Tax Increment to payment of the Bonds is subject to future annual appropriation by the Common Council. However, the City fully expects and anticipates that to the extent the Available Tax Increment is generated and received by the City, it will appropriate such Available Tax Increment to the payment of the principal of and interest on the Bonds.

The Common Council acknowledges that Available Tax Increment may not be sufficient to pay all debt service on the Bonds as it becomes due and the City makes no representation or covenant, express or implied, that Available Tax Increment will be generated or that it will be sufficient to pay, in whole or in part, the Bonds. The City hereby declares that it fully expects and anticipates that, if such a shortfall occurs, it will appropriate funds from other available revenues of the City sufficient to fund any such shortfall, provided, however, that such payment shall be subject to annual appropriation by the Common Council.

Section 6A. Funds and Accounts. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the Special Redemption Fund created by a resolution adopted September 27, 2017 in the order of priority listed below, which funds are hereby created, to be used and applied as described below:

Revenues in amounts sufficient to pay the principal of and interest on the Bonds coming due in the calendar year shall be set aside into the "Special Redemption Fund," to be applied to the payment of the principal of and interest on the Bonds. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Bonds. On each Bond Payment Date, the City shall apply the Revenues on deposit in the Special Redemption Fund to the payment due on the Bonds.

The minimum amounts to be so deposited for debt service on the Bonds will be set forth on a schedule to be attached to the Approving Certificate.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Bonds promptly as the same become due and payable. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the payments required to be made to the Special Redemption Fund shall be made directly to such account.

To additionally secure the payment of principal of and interest on the Bonds, an account designated the "Reserve Account" is hereby established within the Special Redemption Fund. The City shall, upon the issuance of the Bonds, deposit an amount equal to the Reserve Requirement into the Reserve Account, and an amount equal to the Reserve Requirement shall be maintained in the Reserve Account until the earlier of (a) the date in which the Bonds have been paid in full or (b) the final Bond Payment Date.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the stated principal amount of the Bonds (to the extent permitted pursuant to Section 148(d)(1) of the Code and Regulations); (b) the maximum annual debt service on the Bonds in a calendar year; and (c) 125% of average annual debt service on the Bonds.

If on any Bond Payment Date there shall be insufficient funds in the Special Redemption Fund to pay the principal of and/or interest due on the Bonds, funds in the Reserve Account shall be applied to such payment. If after application of all of the funds in the Reserve Account there remain insufficient funds, the amount due but not paid shall accumulate, with interest at the rates payable on the Bonds, and be payable on the next Bond Payment Date until the final Bond Payment Date.

Any funds remaining on deposit in the Reserve Account shall be applied to payment of the Bonds on the final Bond Payment Date or upon earlier termination of TID 3 (as described in Section 4 above). If after applying all funds in the Reserve Account on the final Bond Payment Date, or upon earlier termination of TID 3, there remain amounts outstanding and unpaid on the Bonds, then the remaining balance of principal of and interest on the Bonds shall be deemed paid in full, it being understood that upon making the payment due on the final Bond Payment Date, or upon earlier termination of TID 3, the obligation of the City to make any further payments on the Bonds shall terminate. The City shall have no obligation to pay any amount of principal or interest on the Bonds which remains unpaid after the final Bond Payment Date or upon earlier termination of TID 3 and the owner of the Bonds shall have no right to receive payment of such amounts.

Subject to future annual appropriation by the Common Council, the City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, the Common Council will apply Revenues to be deposited into the Reserve Account until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the Bonds in any calendar year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Bonds, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Section 6B. Application of Revenues to Payment of the Bonds. On or before each Bond Payment Date, the City shall deposit the Revenues which have been appropriated by the Common Council for the payment of the principal of and interest on the Bonds in the Special Redemption Fund (including the Reserve Account). On each Bond Payment Date, the funds in the Special Redemption Fund shall be applied first to the payment of interest due on the Bond Payment Date and then to the payment of any principal due on that Bond Payment Date.

Section 7. City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(1) If the City's proposed annual budget does not in any year provide for the appropriation of Available Tax Increment in an amount sufficient to make the principal and interest payments coming due on the Bonds in that year, the City will notify the owner or owners of the Bonds of that fact (in the same manner as provided in the Undertaking defined in Section 24) at least 10 days before the Common Council vote on the budget;

(2) In any year that debt service on the Bonds is due, if the Common Council does not appropriate funds in an amount sufficient to pay such payments in full, the City will not apply Available Tax Increment to any purpose other than for payment of the Bonds until the earlier of (1) January 1 of the calendar year following the year such payments are due or (2) the date the City deposits funds into the Special Redemption Fund in an amount sufficient to pay the payment coming due that same year on the Bonds. After such time has expired, the City may apply Available Tax Increment for any lawful purpose;

(3) In any year that the Common Council appropriates Available Tax Increment to the payment of the Bonds, the City will not apply Available Tax Increment for any purpose other than payment on the Bonds until the earlier of (1) January 1 of the calendar year following the year such payments are due or (2) the date the City deposits funds into the Special Redemption Fund in an amount sufficient to pay the payment coming due that same year on the Bonds. After such time has expired, the City may apply Available Tax Increment for any lawful purpose;

(4) The City will not issue bonds or obligations payable from Available Tax Increment in such manner as to enjoy priority over the Bonds. Additional obligations may be issued or incurred if their lien and pledge of the Available Tax Increment is junior and subordinate to that of the Bonds; and

(5) The City will take no action, other than action required under Wisconsin Statutes, to terminate TID 3 prior to the payment in full of the Bonds.

Section 8. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds equal to the Reserve Requirement shall be deposited in the Reserve Account. An amount of proceeds of the Bonds sufficient to provide for the payment of the Refunded Obligations shall be deposited in a special account designated the "Refunding Fund" for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

(1) The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

(2) This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Available Tax Increment, or in the maturity of the Bonds issued hereunder, or a reduction in the rate of interest on any Bonds, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms

upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 6A and 9 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations.

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 16. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any 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 any 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.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 17. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 18. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 19. Payment of 2019 NAN. The 2019 NAN will be paid on its December 1, 2020 maturity date.

Section 20. Redemption of the 2017 Bond and the 2018 Bond. Subject to the Bonds being issued, the 2017 Bond and the 2018 Bond are hereby called for prior payment on such date or dates as identified by the Authorized Officer on the Approving Certificate at the price of par plus accrued interest to the date of redemption.

The City Clerk is hereby directed to cause all actions necessary for the redemption of the 2017 Bond and the 2018 Bond on their redemption date. All actions heretofore taken by the officers and agents of the City in furtherance of the redemption of the 2017 Bond and the 2018 Bond are approved.

Section 21. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 22. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to Old National Bank at Closing for further distribution as directed by Ehlers.

Section 23. Official Statement. The Common Council hereby directs the Authorized Officer to approve the Preliminary Official Statement with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 24. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 25. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 26. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 27. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 28. 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 29. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions, rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Recommended by: The Common Council

Moved: ________________________

Passed: ________________________

CITY OF MERRILL, WISCONSIN

____
Derek Woellner
Mayor

____
William N. Heideman
City Clerk

EXHIBIT A

Bond Purchase Agreement

(See Attached)

EXHIBIT B

CERTIFICATE APPROVING THE DETAILS OF TAX INCREMENT REVENUE REFUNDING BONDS (TID 3), SERIES 2020D

I, **[___________________]** of the City of Merrill, Lincoln County, Wisconsin (the "City") hereby certify that:

1. Resolution. On October 29, 2020, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed $4,550,000 Tax Increment Revenue Refunding Bonds (TID 3), Series 2020D of the City (the "Bonds") and delegating to me the authority to approve the purchase proposal for the Bonds and to determine the details for the Bonds within the parameters established by the Resolution.

2. Proposal; Terms of the Bonds. On the date hereof, D.A. Davidson & Co. (the "Purchaser") offered to purchase the Bonds in accordance with the terms set forth in the Bond Purchase Agreement attached hereto as Schedule I (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Bonds shall be issued in the aggregate principal amount of $___________, which is not more than the $4,550,000 approved by the Resolution, and shall mature in each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule II and incorporated herein by this reference. The Bonds mature or are subject to mandatory redemption on October 1 in each of the years beginning in 2021 and ending no later than 2026. The amount of each annual principal or mandatory redemption payment due on the Bonds is not more than $100,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

Year	Resolution Schedule	Actual Amount
2021	$ 635,000	___________
2022	635,000	___________
2023	650,000	___________
2024	665,000	___________
2025	680,000	___________
2026	1,130,000	___________

The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) is __________%, which is not in excess of 2.75%, as required by the Resolution.

3. Purchase Price of the Bonds. The Bonds shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of $__________, plus accrued

interest, if any, to the date of delivery of the Bonds which is not less than 99% of the principal amount of the Bonds as required by the Resolution.

[4. Redemption Provisions of the Bonds. The Proposal specifies that **[**some of**]** the Bonds are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.**]**

[5**]**. Redemption of the Refunded Obligations. In the Resolution, the Common Council authorized the redemption of the Refunded Obligations (as defined in the Resolution) and granted us the authority to determine the redemption date of the 2017 Bond (as defined in the Resolution) and the 2018 Bond (as defined in the Resolution). The 2017 Bond and the 2018 Bond shall be redeemed on ______________ and __________, respectively.

[6**]**. Approval. This Certificate constitutes my approval of the Proposal, and the definitive maturities, **[**and**]** interest rates, purchase price **[**and mandatory redemption provisions**]** for the Bonds and the debt service schedule attached hereto as Schedule III is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on **[**__________**]**, 2020 pursuant to the authority delegated to me in the Resolution.

____

[_________________**]**
[_________________**]**

SCHEDULE I TO APPROVING CERTIFICATE

Proposal

To be provided by D.A. Davidson & Co. and incorporated into the Certificate.

(See Attached)

SCHEDULE II TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE III TO APPROVING CERTIFICATE

Debt Service Schedule

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

[EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on October 1, ____, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from special redemption fund deposits which are required to be made in amounts sufficient to redeem on October 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on October 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on October 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on October 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)

For the Term Bonds Maturing on October 1, ____

Redemption Date	Amount
____	$______
____	______
____	______ (maturity)]

EXHIBIT C

(Form of Bond)

UNITED STATES OF AMERICA

REGISTERED STATE OF WISCONSIN DOLLARS

LINCOLN COUNTY

NO. R-___ CITY OF MERRILL $_______

TAX INCREMENT REVENUE REFUNDING BOND (TID 3), SERIES 2020D

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:

October 1, _____ ____________, 2020 ____% ______

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _______________________ THOUSAND DOLLARS ($__________)

FOR VALUE RECEIVED, the City of Merrill, Lincoln County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2021 and continuing through and including October 1, 2026 (each, a "Bond Payment Date"). The City's obligation to pay all or any portion of the Bond shall terminate on October 1, 2026.

Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Bond Trust Services Corporation, Roseville, Minnesota (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

This Bond is one of an issue aggregating $**[**__________**]** (collectively, the "Bonds"), issued for the purpose of refunding obligations issued to provide financial assistance to development in the City by paying project costs included in the project plan for the City's Tax Incremental District No. 3 ("TID 3"), which development constitutes a revenue-producing enterprise of the City which is operated for a public purpose and constitutes a "public utility" within the meaning of Section 66.0621, Wisconsin Statute. This Bond is issued pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted on October 29, 2020 as supplemented by a Certificate Approving the Details of the Bonds (collectively, the "Resolution").

The principal of and interest on this Bond shall be payable solely from Available Tax Increment (as defined in the Resolution) received by the City which is appropriated by the Common Council to the payment of this Bond or other funds appropriated by the Common Council to payment of this Bond (collectively, the "Revenues") and deposited in the Special Redemption Fund as provided for in the Resolution. The Bonds shall be a valid claim of the owner thereof only against the Special Redemption Fund (including the Reserve Account) provided for in the Resolution. Reference is hereby made to the Resolution for a more complete statement of the Revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond has been issued.

THE CITY MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE AVAILABLE TAX INCREMENT OR REVENUES WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE HEREUNDER.

THE CITY'S PAYMENT OBLIGATIONS HEREUNDER ARE SUBJECT TO FUTURE ANNUAL APPROPRIATION BY THE COMMON COUNCIL OF THE AVAILABLE TAX INCREMENT OR OTHER AMOUNTS TO MAKE PAYMENTS DUE ON THIS BOND.

THIS BOND IS A SPECIAL, LIMITED REVENUE OBLIGATION AND NOT A GENERAL OBLIGATION OF THE CITY, AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES, TO THE EXTENT, AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS BOND IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

If on any Bond Payment Date there shall be insufficient funds in the Special Redemption Fund to pay the principal of and interest due on the Bonds, funds in the Reserve Account shall be applied to such payment. If after application of all of the funds in the Reserve Account there remain insufficient funds, the amount due but not paid shall accumulate, with interest at the rates payable on the Bonds, and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after applying all funds in the Reserve Account on the final Bond Payment Date there remain amounts outstanding and unpaid on the Bonds, then the remaining balance of principal of and interest on the Bonds shall be deemed paid in full, it being understood that upon making the payment due on the final Bond Payment Date, the obligation of the City to make any further payments on the Bond shall terminate. The City shall have no obligation to pay any amount of principal or interest on the Bond which remains unpaid after the final Bond Payment Date and the owner of the Bonds shall have no right to receive payment of such amounts.

If for any reason (other than voluntary resolution by the Common Council) TID 3 terminates prior to the final Bond Payment Date, and, if after applying all funds in the Reserve Account, there remain amounts outstanding and unpaid on the Bond, then the remaining balance of principal of and interest on the Bond shall be deemed paid in full, it being understood that upon such termination of TID 3, the obligation of the City to make any further payments on the Bond shall also terminate. The City shall have no obligation to pay any amount of principal or interest on the Bond which remains unpaid upon termination of TID 3 and the owner or owners of the Bond shall have no right to receive payment of such amounts.

The Bonds are not subject to optional redemption prior to maturity.

[The Bonds maturing in the years _______, _______ and ______ are subject to mandatory redemption by lot as provided in the Resolution at the redemption price of par plus accrued interest to the date of redemption and without premium.**]**

This Bond has been designated by the Common Council as a "qualified tax exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds after the Record Date. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

It is hereby certified, recited and declared that all conditions, things and acts required by law to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF, the City of Merrill, Lincoln County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF MERRILL,
LINCOLN COUNTY, WISCONSIN

By: ________________________________
Derek Woellner
Mayor

By: ________________________________
William Heideman
City Clerk

Date of Authentication: _______________, ______

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned Resolution of the City of Merrill, Lincoln County, Wisconsin.

BOND TRUST SERVICES
CORPORATION, ROSEVILLE,
MINNESOTA

By_____________________________
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____

(Name and Address of Assignee)

____

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints ____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________

Signature Guaranteed:

___________________________ (e.g. Bank, Trust Company or Securities Firm)

______________________________ (Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

____
(Authorized Officer)