



CITY OF MERRILL

COMMON COUNCIL

AGENDA • WEDNESDAY SEPTEMBER 27, 2017

Special Meeting

City Hall Council Chambers

4:30 PM

- I. Call to Order
- II. Public Comment Period
- III. Board of Public Works:
 1. Consider recommendation(s) from September 27, 2017 Board of Public Works meeting related to City Hall (Police Department) roof project bids.
- IV. Resolutions:
 1. A Resolution authorizing the issuance of a \$1,560,000 Tax Increment Revenue Bond (TID NO. 3), Series 2017A.
 2. A Resolution authorizing the issuance of a \$580,000 Tax Increment Revenue Bond (TID NO. 4), Series 2017B.
- V. 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.

City of Merrill

Police Department Roof Bid Results

Contractor

Kimmons Roofing and Ventilation, LLC

Duro-Last	40 MIL	\$36,806.00
Duro-Last	50 MIL	\$38,891.00
Duro-Last With Ultrafold	40 MIL	\$38,500.00
Duro-Last With Ultrafold	50 MIL	\$40,425.00

Kulp's of Stratford, LLC

Fiber Tite	36 MIL	\$70,704.00
SikaPlan	45 MIL	\$62,589.00

Attachment: Roof Bid Summary - 2017-09 (2804 : City Hall roof bid)

RESOLUTION NO. __

**RESOLUTION AUTHORIZING THE ISSUANCE OF A \$1,560,000
TAX INCREMENT REVENUE BOND (TID NO. 3), SERIES 2017A**

WHEREAS, the City of Merrill, Lincoln County, Wisconsin (the "City") has determined that it is necessary and desirable to raise funds for the public purpose of paying project costs in the project plan for the City's Tax Incremental District No. 3 ("TID No. 3") including financing the acquisition of property, improvements to the City's Expo Center and a parking lot related thereto and street, sewer system and water system improvement projects along N. Center Avenue and Pine Ridge Avenue (collectively, the "Project");

WHEREAS, the community development and redevelopment projects in TID No. 3 constitute 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 it is desirable to borrow the funds needed to finance the Project through the issuance of a revenue bond pursuant to Section 66.0621, Wis. Stats., which bond is to be payable only from tax increment revenues generated from the property within TID No. 3 and appropriated by the Common Council of the City to pay the bond;

WHEREAS, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell its Tax Increment Revenue Bond (TID No. 3), Series 2017A (the "Bond") to pay the cost of the Project;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Term Sheet (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 Bond and indicating that the Bond would be offered for sale on September 27, 2017;

WHEREAS, the City Clerk (in consultation with Ehlers) caused the Term Sheet to be distributed to potential bidders offering the Bond for sale on September 27, 2017; and

WHEREAS, it has been determined that the proposal attached hereto as Exhibit B and incorporated herein by this reference (the "Proposal") submitted by _____ (the "Purchaser") fully complies with the bid requirements set forth in the Term Sheet and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Merrill, Lincoln County, Wisconsin, as follows:

Section 1A. Authorization and Sale of the Bond. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of ONE MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$1,560,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and 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. To evidence the obligation of the City, 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, the Bond in the the principal amount of ONE MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$1,560,000) for the [sum set forth on the Proposal, plus accrued interest to the date of delivery].

Section 1B. Ratification of the Term Sheet. The Common Council of the City hereby ratifies and approves the details of the Bond set forth in Exhibit A attached hereto as and for the details of the Bond. The Term Sheet 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 Term Sheet and any other offering materials are hereby ratified and approved in all respects.

Section 2. Terms of the Bond. The Bond shall be issued in the aggregate principal amount of \$1,560,000; shall be dated its date of issuance; shall be in the denomination of \$100,000 or more; shall be numbered R-1; and shall bear interest at the rate of ____% per annum and shall be payable in installments of principal due on October 1 of each year, in the years and principal amounts as set forth on the schedule attached hereto as Exhibit C and incorporated herein by this reference (the "Schedule"). 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.

Interest shall be payable annually on October 1 of each year commencing on October 1, 2018 and continuing through and including October 1, 2026 (each, a "Bond Payment Date"). The schedule of principal and interest payments due on the Bond on each Bond Payment Date is set forth on the Schedule. The City's obligation to pay all or any portion of the Bond shall terminate with the final payment made on October 1, 2026.

The payment due on each Bond Payment Date shall be payable from Available Tax Increment (defined below) which is appropriated by the Common Council for payment of the Bond or other funds of the City appropriated by the Common Council for that purpose.

"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 No. 3.

The Bond is subject to prepayment prior to maturity, at the option of the City, in whole or from time to time in part on any date at the principal amount thereof, plus accrued interest to the date of prepayment. The amount and the installments of the Bond to be prepaid shall be selected by the City.

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

Section 3. Form of Bond. The Bond shall be in substantially the form set forth on Exhibit D hereto.

Section 4. Payable Solely From Revenues. The Bond, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing

power. The Bond is a limited obligation 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 and from the revenues pledged to such fund. The Bond 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 Bond and (b) any other funds of the City appropriated by the Common Council for payment of the Bond as provided in Section 5 below (hereinafter referred to collectively as "Revenues").

As stated above, the application of the Available Tax Increment to payment of the Bond 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 Bond.

Subject to the covenant in Section 7(c), any Available Tax Increment which is in excess of the amount of principal and interest due on the Bond in any calendar year may be applied by the City to pay other project costs of TID No.3.

If TID No. 3 is terminated earlier than the final Bond Payment Date on the Bond 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 Bond remains outstanding and unpaid, then the remaining outstanding Bond shall be deemed paid in full, it being understood that upon such termination of TID No. 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 the Bond which remains unpaid upon termination of TID No. 3 and the owner or owners of the Bond shall have no right to receive payment of such amounts.

Section 5. Statement of Intent to Appropriate. The Common Council acknowledges that the Available Tax Increment to be derived from TID No. 3 may not be sufficient to pay all debt service on the Bond 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 Bond. 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. Special Redemption Fund. For the purpose of the application and proper allocation of the Revenues, and to secure the payment of the principal and interest on the Bond, the Special Redemption Fund is hereby created and shall be used solely for the purpose of paying principal and interest on the Bond.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Bond promptly as the same become due and payable or to pay redemption premiums. 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 monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

Section 6B. Application of Revenues to Payment of the Bond. On each Bond Payment Date, the City shall apply, to the payment due on the Bond, the Revenues which have been appropriated by the Common Council to the payment of the principal of and interest on the Bond.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal of and interest due on the Bond, the amount due but not paid shall accumulate, with interest at the rate payable on the Bond, and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, 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 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 Bond shall have no right to receive payment of such amounts.

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

(a) 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 Bond in that year, the City will notify the owner or owners of the Bond of that fact within 10 days of the Common Council vote on the budget;

(b) The City will take no action, other than action required under Wisconsin Statutes, to dissolve TID No. 3 prior to the payment in full of the Bond; and

(c) Subject to future annual appropriation of Available Tax Increment by the Common Council to the payment of the Bond, in each year the City shall not apply Available Tax Increment to any purpose other than for payment of principal and interest on the Bond until the earlier of (1) the Bond Payment Date of that year or (2) the City deposits funds into the Special Redemption Fund in an amount sufficient to pay the principal and interest coming due that same year on the Bond.

Section 8. Application of Bond Proceeds. All accrued interest received from the sale of the Bond shall be deposited into the Special Redemption Fund. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bond, shall be deposited in a special fund designated as "TID No. 3 Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of paying the costs of the Project. The balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bond.

Section 9. Amendment to Resolution. After the issuance of the Bond, no change or alteration of any kind in the provisions of this Resolution may be made until the Bond has 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 Bond, 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 Bond then outstanding, exclusive of Bond 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 any Bond issued hereunder, or a reduction in the rate of interest on any Bond, 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 Bond 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 10. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bond, and after issuance of any of the Bond no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 9, until all of the Bond have been paid in full as to both principal and interest. The owner or owners of any of the Bond 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 11. Payment of the Bond; Fiscal Agent. The principal of and interest on the Bond shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 12. Persons Treated as Owners; Transfer of Bond. The City shall cause books for the registration and for the transfer of the Bond 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 13. Record Date. The fifteenth day of each calendar month next preceding each Bond Payment Date shall be the record date for the Bond (the "Record Date"). Payment of

interest on the Bond on any interest payment date shall be made to the registered owners of the Bond as they appear on the registration book of the City at the close of business on the Record Date.

Section 14. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bond allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 15. 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 Bond to be an "arbitrage bond" 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 Bond, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bond to the Purchaser which will permit the conclusion that the Bond is not an "arbitrage bond," within the meaning of the Code or Regulations.

Section 16. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bond and their ownership, management and use will not cause the Bond to be a "private activity bond" 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 Bond 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 Bond) if taking, permitting or omitting to take such action would cause the Bond to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bond 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 Bond 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 Bond provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bond and the laws 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 Bond, until the date on which all of the Bond has been paid in full.

Section 17. Qualified Tax-Exempt Obligations. The Bond is hereby designated as a "qualified tax-exempt obligation" pursuant to 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 18. 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 Bond in the Record Book.

Section 19. Execution of the Bond; Closing; Professional Services. The Bond 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 Bond may be imprinted on the Bond in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bond, 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 Bond 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 Bond 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 Bond, 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 Bond is hereby ratified and approved in all respects.

Section 20. 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 21. 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.

Adopted, approved and recorded September 27, 2017.

Moved by: _____

Approved:

Adopted: _____

William R. Bialecki, Mayor

Approved: _____

Attest:

Published: _____

William N. Heideman, City Clerk

Attachment: Res Merrill (TID 3) Series 2017A (2817 : Resolution on Borrowing 2017A)

EXHIBIT A
TERM SHEET
(SEE ATTACHED)

DRAFT

EXHIBIT B
WINNING BID
(SEE ATTACHED)

DRAFT

EXHIBIT C
DEBT SERVICE SCHEDULE
(SEE ATTACHED)

DRAFT

EXHIBIT D

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
LINCOLN COUNTY
CITY OF MERRILL
TAX INCREMENT REVENUE BOND (TID NO. 3), SERIES 2017A

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>
R-1	_____ %	October 1, 2026	_____, 2017	\$1,560,000

FOR VALUE RECEIVED, the City of Merrill, Lincoln County, Wisconsin (the "City"), promises to pay to _____ or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the principal amount and interest hereon at the rate of interest per annum identified above in installments as described below.

This Bond is issued pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the Revenues herein described, which Revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund." This Bond is issued pursuant to a resolution adopted on September 27, 2017 by the Common Council of the City (the "Resolution") for the purpose of paying project costs in the project plan for the City's Tax Incremental District No. 3 ("TID No. 3") including financing the acquisition of property, improvements to the City's Expo Center and a parking lot related thereto and street, sewer system and water system improvement projects along N. Center Avenue and Pine Ridge Avenue and paying related costs.

The principal of and interest on this Bond shall be payable solely from Available Tax Increments (as defined below) received by the City which are appropriated by the Common Council to the payment of this Bond or other funds appropriated by the Common Council to payment of this Bond (the "Revenues"). Reference is hereby made to a 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.

"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 No. 3.

Attachment: Res Merrill (TID 3) Series 2017A (2817 : Resolution on Borrowing 2017A)

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 and be payable annually on October 1 of each year commencing on October 1, 2018 and continuing through and including October 1, 2026 (each, a "Bond Payment Date"). The amount of principal and interest payments due on the Bond on each Bond Payment Date is set forth on the schedule attached hereto (the "Schedule"). The City's obligation to pay all or any portion of the Bond shall terminate with the final payment made on October 1, 2026.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal of and interest due on this Bond, the amount due but not paid shall accumulate, with interest at the rate payable on the Bond, and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, 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 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 this Bond which remains unpaid after the final Bond Payment Date and the owner or owners of this Bond shall have no right to receive payment of such amounts.

If for any reason (other than voluntary dissolution of the Common Council) the TID No. 3 terminates prior to the final Bond Payment Date, and 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 No. 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 No. 3 and the owner or owners of the Bond shall have no right to receive payment of such amounts.

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.

The Bond is subject to prepayment prior to maturity, at the option of the City, in whole or from time to time in part on any date at the principal amount thereof, plus accrued interest to the date of prepayment. The amount and the installments of the Bond to be prepaid shall be selected by the City.

Notice of prepayment of the Bond for redemption shall be given by the sending of a notice thereof by registered or certified mail, facsimile transmission, electronic transmission or overnight express delivery at least five (5) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

Both the principal of and interest on this Bond are payable in lawful money of the United States by the City Clerk or City Treasurer.

Payment of each installment of principal and interest hereon (except the last) shall be made to the registered owner hereof who shall appear on the registration books of the City maintained by the City Clerk or City Treasurer at the close of business on the 15th day of the calendar month next preceding the annual interest payment date (the "Record Date") and shall be paid by check or draft of the City mailed to such registered owner at his address as it appears on such registration books or at such other address as may be furnished in writing by such registered owner to the City Clerk or City Treasurer. The final installment of principal and interest on this Bond shall be payable only upon presentation and surrender hereof at the office of the City Clerk or City Treasurer.

This Bond has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

The Bond is issued in registered form in the denomination of \$100,000 or more. This Bond may be exchanged at the office of the City Clerk or City Treasurer for a like aggregate principal amount of Bonds or Bonds of the same maturity in other authorized denominations.

This Bond is transferable by a written assignment duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Bond, in authorized denomination or denominations and in the same aggregate principal amount, shall be issued to the transferee in exchange hereof.

The City may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes, and the City shall not be affected by notice to the contrary.

It is hereby certified, recited and declared that all acts, conditions and things required 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.

IN WITNESS WHEREOF, the City of Merrill, Lincoln County, Wisconsin, has caused this Bond to be signed by its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF MERRILL,
LINCOLN COUNTY,
WISCONSIN

(SEAL)

By _____
William N. Heideman
City Clerk

By _____
William R. Bialecki
Mayor

DRAFT

Attachment: Res Merrill (TID 3) Series 2017A (2817 : Resolution on Borrowing 2017A)

ASSIGNMENT

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

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

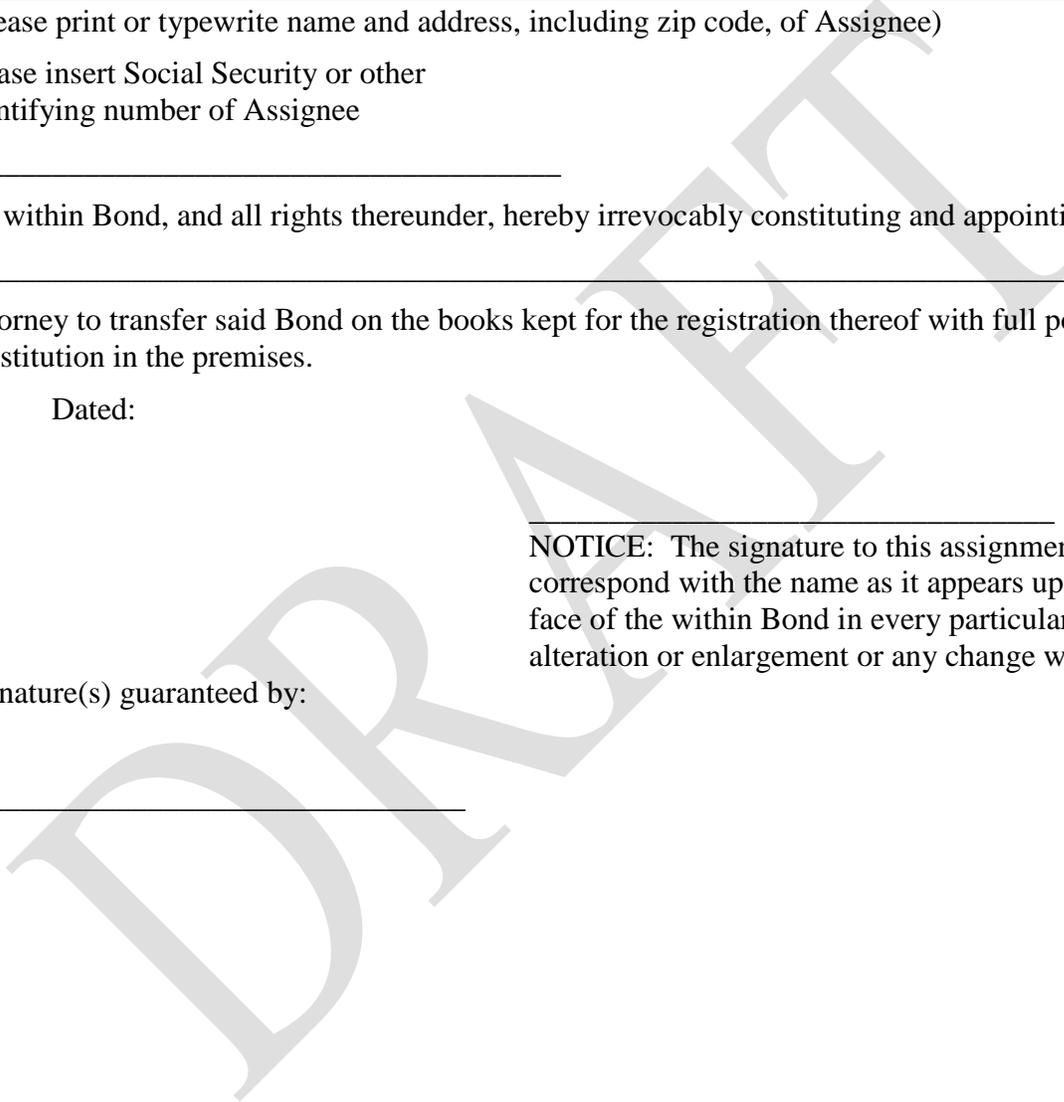
the within Bond, and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by:



Attachment: Res Merrill (TID 3) Series 2017A (2817 : Resolution on Borrowing 2017A)

RESOLUTION NO. __

**RESOLUTION AUTHORIZING THE ISSUANCE OF A \$580,000
TAX INCREMENT REVENUE BOND (TID NO. 4), SERIES 2017B**

WHEREAS, the City of Merrill, Lincoln County, Wisconsin (the "City") has determined that it is necessary and desirable to raise funds for the public purpose of paying project costs in the project plan for the City's Tax Incremental District No. 4 ("TID No. 4") including financing the acquisition of property and construction of street, sewer system and water system improvement projects thereon (collectively, the "Project");

WHEREAS, the community development and redevelopment projects in TID No. 4 constitute 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 it is desirable to borrow the funds needed to finance the Project through the issuance of a revenue bond pursuant to Section 66.0621, Wis. Stats., which bond is to be payable only from tax increment revenues generated from the property within TID No. 4 and appropriated by the Common Council of the City to pay the bond;

WHEREAS, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell its Tax Increment Revenue Bond (TID No. 4), Series 2017B (the "Bond") to pay the cost of the Project;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Term Sheet (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 Bond and indicating that the Bond would be offered for sale on September 27, 2017;

WHEREAS, the City Clerk (in consultation with Ehlers) caused the Term Sheet to be distributed to potential bidders offering the Bond for sale on September 27, 2017; and

WHEREAS, it has been determined that the proposal attached hereto as Exhibit B and incorporated herein by this reference (the "Proposal") submitted by _____ (the "Purchaser") fully complies with the bid requirements set forth in the Term Sheet and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Merrill, Lincoln County, Wisconsin, as follows:

Section 1A. Authorization and Sale of the Bond. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of FIVE HUNDRED EIGHTY THOUSAND DOLLARS (\$580,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and 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. To evidence the

obligation of the City, 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, the Bond in the principal amount of FIVE HUNDRED EIGHTY THOUSAND DOLLARS (\$580,000) for the [sum set forth on the Proposal, plus accrued interest to the date of delivery].

Section 1B. Ratification of the Term Sheet. The Common Council of the City hereby ratifies and approves the details of the Bond set forth in Exhibit A attached hereto as and for the details of the Bond. The Term Sheet 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 Term Sheet and any other offering materials are hereby ratified and approved in all respects.

Section 2. Terms of the Bond. The Bond shall be issued in the aggregate principal amount of \$580,000; shall be dated its date of issuance; shall be in the denomination of \$100,000 or more; shall be numbered R-1; and shall bear interest at the rate of ____% per annum and shall be payable in installments of principal due on October 1 of each year, in the years and principal amounts as set forth on the schedule attached hereto as Exhibit C and incorporated herein by this reference (the "Schedule"). 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.

Interest shall be payable annually on October 1 of each year commencing on October 1, 2018 and continuing through and including October 1, 2028 (each, a "Bond Payment Date"). The schedule of principal and interest payments due on the Bond on each Bond Payment Date is set forth on the Schedule. The City's obligation to pay all or any portion of the Bond shall terminate with the final payment made on October 1, 2028.

The payment due on each Bond Payment Date shall be payable from Available Tax Increment (defined below) which is appropriated by the Common Council for payment of the Bond or other funds of the City appropriated by the Common Council for that purpose.

"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 No. 4.

The Bond is subject to prepayment prior to maturity, at the option of the City, in whole or from time to time in part on any date at the principal amount thereof, plus accrued interest to the date of prepayment. The amount and the installments of the Bond to be prepaid shall be selected by the City.

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

Section 3. Form of Bond. The Bond shall be in substantially the form set forth on Exhibit D hereto.

Section 4. Payable Solely From Revenues. The Bond, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bond is a limited obligation 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 and from the revenues pledged to such fund. The Bond 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 Bond and (b) any other funds of the City appropriated by the Common Council for payment of the Bond as provided in Section 5 below (hereinafter referred to collectively as "Revenues").

As stated above, the application of the Available Tax Increment to payment of the Bond 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 Bond.

Subject to the covenant in Section 7(c), any Available Tax Increment which is in excess of the amount of principal and interest due on the Bond in any calendar year may be applied by the City to pay other project costs of TID No.4.

If TID No. 4 is terminated earlier than the final Bond Payment Date on the Bond 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 Bond remains outstanding and unpaid, then the remaining outstanding Bond shall be deemed paid in full, it being understood that upon such termination of TID No. 4, 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 the Bond which remains unpaid upon termination of TID No. 4 and the owner or owners of the Bond shall have no right to receive payment of such amounts.

Section 5. Statement of Intent to Appropriate. The Common Council acknowledges that the Available Tax Increment to be derived from TID No. 4 may not be sufficient to pay all debt service on the Bond 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 Bond. 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. Special Redemption Fund. For the purpose of the application and proper allocation of the Revenues, and to secure the payment of the principal and interest on the Bond, the Special Redemption Fund is hereby created and shall be used solely for the purpose of paying principal and interest on the Bond.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Bond promptly as the same become due and payable or to pay redemption premiums. 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 monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

Section 6B. Application of Revenues to Payment of the Bond. On each Bond Payment Date, the City shall apply, to the payment due on the Bond, the Revenues which have been

appropriated by the Common Council to the payment of the principal of and interest on the Bond.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal of and interest due on the Bond, the amount due but not paid shall accumulate, with interest at the rate payable on the Bond, and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, 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 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 Bond shall have no right to receive payment of such amounts.

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

(a) 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 Bond in that year, the City will notify the owner or owners of the Bond of that fact within 10 days of the Common Council vote on the budget;

(b) The City will take no action, other than action required under Wisconsin Statutes, to dissolve TID No. 4 prior to the payment in full of the Bond; and

(c) Subject to future annual appropriation of Available Tax Increment by the Common Council to the payment of the Bond, in each year the City shall not apply Available Tax Increment to any purpose other than for payment of principal and interest on the Bond until the earlier of (1) the Bond Payment Date of that year or (2) the City deposits funds into the Special Redemption Fund in an amount sufficient to pay the principal and interest coming due that same year on the Bond.

Section 8. Application of Bond Proceeds. All accrued interest received from the sale of the Bond shall be deposited into the Special Redemption Fund. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bond, shall be deposited in a special fund designated as "TID No. 4 Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of paying the costs of the Project. The balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bond.

Section 9. Amendment to Resolution. After the issuance of the Bond, no change or alteration of any kind in the provisions of this Resolution may be made until the Bond has 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 Bond, 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 Bond then outstanding, exclusive of Bond 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 any Bond issued hereunder, or a reduction in the rate of interest on any Bond, 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 Bond 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 10. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bond, and after issuance of any of the Bond no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 9, until all of the Bond have been paid in full as to both principal and interest. The owner or owners of any of the Bond 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 11. Payment of the Bond; Fiscal Agent. The principal of and interest on the Bond shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 12. Persons Treated as Owners; Transfer of Bond. The City shall cause books for the registration and for the transfer of the Bond 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 13. Record Date. The fifteenth day of each calendar month next preceding each Bond Payment Date shall be the record date for the Bond (the "Record Date"). Payment of interest on the Bond on any interest payment date shall be made to the registered owners of the Bond as they appear on the registration book of the City at the close of business on the Record Date.

Section 14. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bond allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 15. 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 Bond to be an "arbitrage bond" 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 Bond, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bond to the Purchaser which will permit the conclusion that the Bond is not an "arbitrage bond," within the meaning of the Code or Regulations.

Section 16. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bond and their ownership, management and use will not cause the Bond to be a "private activity bond" 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 Bond 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 Bond) if taking, permitting or omitting to take such action would cause the Bond to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bond 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 Bond 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 Bond provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bond and the laws 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 Bond, until the date on which all of the Bond has been paid in full.

Section 17. Qualified Tax-Exempt Obligations. The Bond is hereby designated as a "qualified tax-exempt obligation" pursuant to 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 18. 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 Bond in the Record Book.

Section 19. Execution of the Bond; Closing; Professional Services. The Bond 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 Bond may be imprinted on the Bond in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bond, 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 Bond 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 Bond 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 Bond, 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 Bond is hereby ratified and approved in all respects.

Section 20. 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 21. 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.

Adopted, approved and recorded September 27, 2017.

Moved by: _____

Approved:

Adopted: _____

William R. Bialecki, Mayor

Approved: _____

Attest:

Published: _____

William N. Heideman, City Clerk

Attachment: Res Merrill (TID 4) Series 2017B (2818 : Resolution on Borrowing 2017B)

EXHIBIT A
TERM SHEET
(SEE ATTACHED)

DRAFT

EXHIBIT B
WINNING BID
(SEE ATTACHED)

DRAFT

EXHIBIT C
DEBT SERVICE SCHEDULE
(SEE ATTACHED)

DRAFT

EXHIBIT D

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WISCONSIN
LINCOLN COUNTY
CITY OF MERRILL
TAX INCREMENT REVENUE BOND (TID NO. 4), SERIES 2017B

<u>Number</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Amount</u>
R-1	_____ %	October 1, 2028	_____, 2017	\$580,000

FOR VALUE RECEIVED, the City of Merrill, Lincoln County, Wisconsin (the "City"), promises to pay to _____ or registered assigns, but only in the manner, at the times, from the source of revenue and to the extent hereinafter provided, the principal amount and interest hereon at the rate of interest per annum identified above in installments as described below.

This Bond is issued pursuant to Article XI, Section 3 of the Wisconsin Constitution and Section 66.0621, Wisconsin Statutes and acts supplementary thereto, and is payable only from the Revenues herein described, which Revenues have been set aside as a special fund for that purpose and identified as the "Special Redemption Fund." This Bond is issued pursuant to a resolution adopted on September 27, 2017 by the Common Council of the City (the "Resolution") for the purpose of paying project costs in the project plan for the City's Tax Incremental District No. 4 ("TID No. 4") including financing the acquisition of property, construction of street, sewer system and water system improvement projects thereon and paying related costs.

The principal of and interest on this Bond shall be payable solely from Available Tax Increments (as defined below) received by the City which are appropriated by the Common Council to the payment of this Bond or other funds appropriated by the Common Council to payment of this Bond (the "Revenues"). Reference is hereby made to a 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.

"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 No. 4.

Attachment: Res Merrill (TID 4) Series 2017B (2818 : Resolution on Borrowing 2017B)

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 and be payable annually on October 1 of each year commencing on October 1, 2018 and continuing through and including October 1, 2028 (each, a "Bond Payment Date"). The amount of principal and interest payments due on the Bond on each Bond Payment Date is set forth on the schedule attached hereto (the "Schedule"). The City's obligation to pay all or any portion of the Bond shall terminate with the final payment made on October 1, 2028.

If on any Bond Payment Date there shall be insufficient Revenues to pay the principal of and interest due on this Bond, the amount due but not paid shall accumulate, with interest at the rate payable on the Bond, and be payable on the next Bond Payment Date until the final Bond Payment Date.

If after making the payment due on the final Bond Payment Date, 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 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 this Bond which remains unpaid after the final Bond Payment Date and the owner or owners of this Bond shall have no right to receive payment of such amounts.

If for any reason (other than voluntary dissolution of the Common Council) the TID No. 4 terminates prior to the final Bond Payment Date, and 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 No. 4, 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 No. 4 and the owner or owners of the Bond shall have no right to receive payment of such amounts.

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.

The Bond is subject to prepayment prior to maturity, at the option of the City, in whole or from time to time in part on any date at the principal amount thereof, plus accrued interest to the date of prepayment. The amount and the installments of the Bond to be prepaid shall be selected by the City.

Notice of prepayment of the Bond for redemption shall be given by the sending of a notice thereof by registered or certified mail, facsimile transmission, electronic transmission or overnight express delivery at least five (5) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

Both the principal of and interest on this Bond are payable in lawful money of the United States by the City Clerk or City Treasurer.

Payment of each installment of principal and interest hereon (except the last) shall be made to the registered owner hereof who shall appear on the registration books of the City maintained by the City Clerk or City Treasurer at the close of business on the 15th day of the calendar month next preceding the annual interest payment date (the "Record Date") and shall be paid by check or draft of the City mailed to such registered owner at his address as it appears on such registration books or at such other address as may be furnished in writing by such registered owner to the City Clerk or City Treasurer. The final installment of principal and interest on this Bond shall be payable only upon presentation and surrender hereof at the office of the City Clerk or City Treasurer.

This Bond has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

The Bond is issued in registered form in the denomination of \$100,000 or more. This Bond may be exchanged at the office of the City Clerk or City Treasurer for a like aggregate principal amount of Bonds or Bonds of the same maturity in other authorized denominations.

This Bond is transferable by a written assignment duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Bond, in authorized denomination or denominations and in the same aggregate principal amount, shall be issued to the transferee in exchange hereof.

The City may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes, and the City shall not be affected by notice to the contrary.

It is hereby certified, recited and declared that all acts, conditions and things required 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.

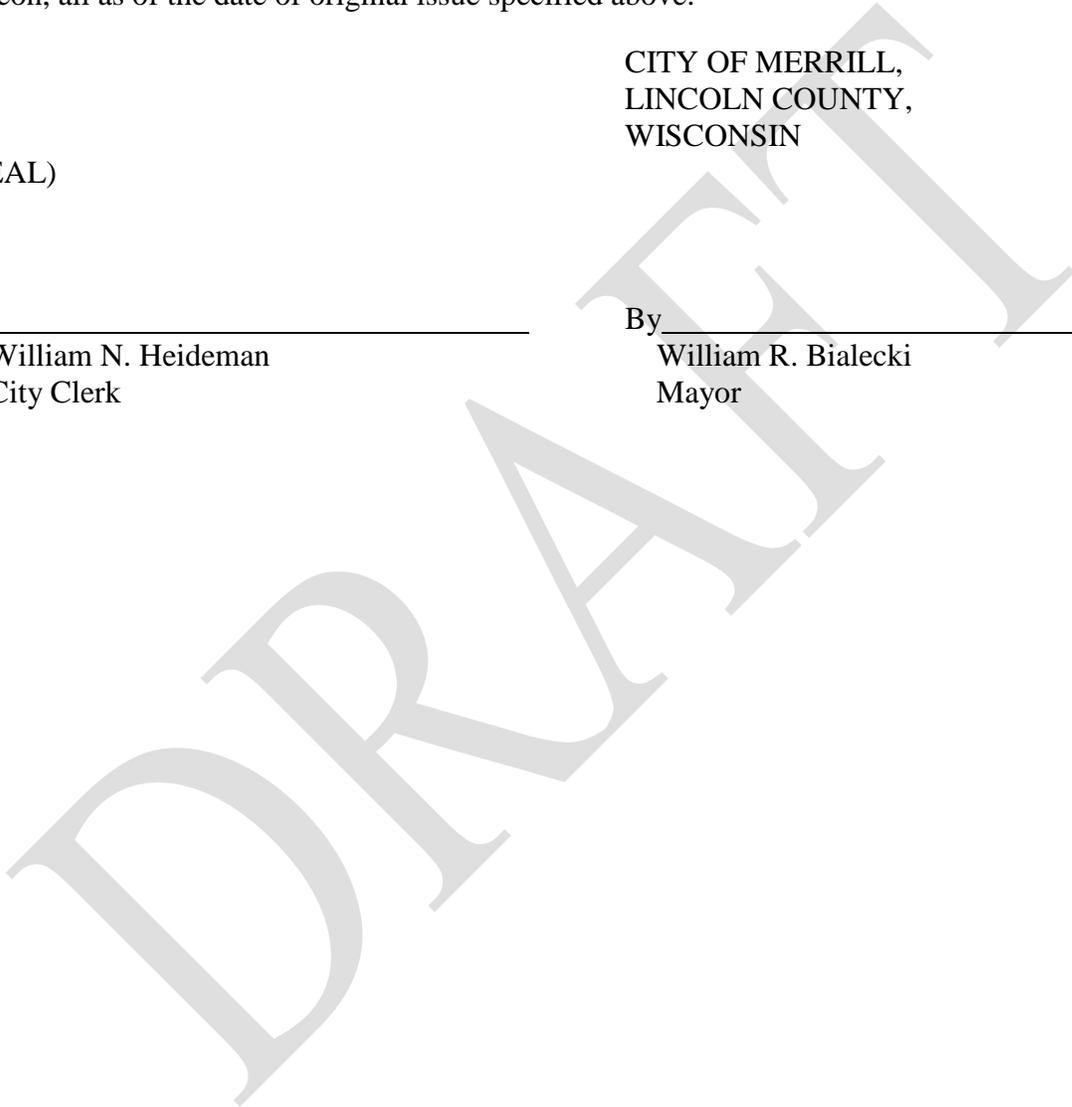
IN WITNESS WHEREOF, the City of Merrill, Lincoln County, Wisconsin, has caused this Bond to be signed by its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF MERRILL,
LINCOLN COUNTY,
WISCONSIN

(SEAL)

By _____
William N. Heideman
City Clerk

By _____
William R. Bialecki
Mayor



Attachment: Res Merrill (TID 4) Series 2017B (2818 : Resolution on Borrowing 2017B)

ASSIGNMENT

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

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

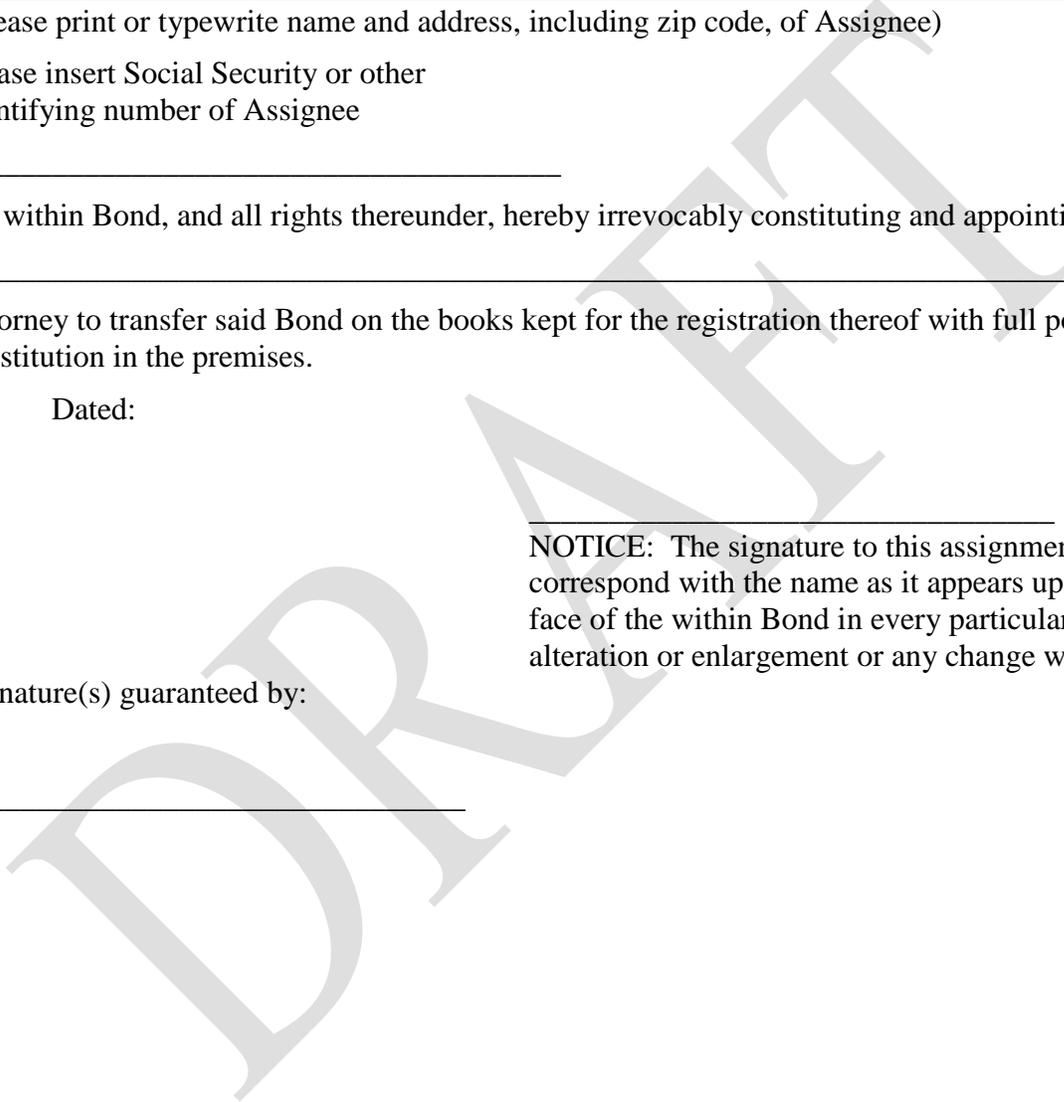
the within Bond, and all rights thereunder, hereby irrevocably constituting and appointing

Attorney to transfer said Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by:



Attachment: Res Merrill (TID 4) Series 2017B (2818 : Resolution on Borrowing 2017B)