

RESOLUTION NO. 2024-0312 E

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$600,000 TAXABLE NOTE ANTICIPATION NOTE, SERIES 2024E, OF THE TOWN OF LA POINTE, WISCONSIN; ESTABLISHING THE TERMS AND CONDITIONS THEREFOR; DIRECTING THEIR EXECUTION AND DELIVERY; CREATING A DEBT SERVICE FUND THEREFOR; AND AWARDING THE SALE THEREOF

BE IT RESOLVED, by the Town Board of the Town of La Pointe, Ashland County, Wisconsin (the "Town"), as follows:

Section 1. Note Purpose, Authorization, and Award.

1.01 Under and pursuant to Wisconsin Statutes, Chapter 30 and Sections 30.37 and 30.38, the Town has created the Board of Harbor Commissioners (the "Harbor Commission") to perform duties in connection with the Town's harbor facilities, including, but not limited to the operation of the Madeline Island Ferry Service which provides ferry service between Bayfield, Wisconsin and the Town.

1.02 The Town is in the process of acquiring the assets of Madeline Island Ferry Line, Inc. (the "Seller") including the Seller's vessels and real and personal property used in the operation of such ferry service (the "Ferry Line Facilities" or the "Project").

1.03 The Town's plan of finance to acquire the Ferry Line Facilities is as follows:

A. The Town issuing its General Obligation Promissory Note, Series 2024A (the "2024A Note") in the principal amount of \$5,374,000, payable from an ad valorem tax levy;

B. The Town issuing its Ferry Line Service System Revenue Bonds, Series 2024B (the "2024B Bonds") in the principal amount of \$5,432,000, payable from net revenues of the Ferry Line Facilities;

C. The Town issuing its Ferry Line Service System Note Anticipation Notes, Series 2024C (the "2024C Notes") in the aggregate principal amount of \$3,000,000, payable from the Town's general obligation promissory notes pledged to be issued on or before December 1, 2028, as set forth in Section 4.02 of this resolution;

D. The Town using its State Trust Fund Note, Series 2024D (the "2024D Loan") in the aggregate principal amount of \$4,900,000, payable from an ad valorem tax levy; and

E. The Town issuing its Taxable Note Anticipation Note, Series 2024E in the principal amount of \$600,000 to provide a revolving line of credit for operation of the Ferry Line Facilities (the "Line of Credit" or the "Note").

1.04 Under and pursuant to the provisions of Wisconsin Statutes, Chapters 67 and 30, Section 67.12(1)(b) and Section 30.35 (collectively, the "Act"), the Town is authorized to issue and sell its obligations to provide short term interim financing to provide cash flow financing for the operation of the Ferry Line Facilities, such obligations to be payable from the issuance of the Town's general obligation promissory notes pledged to be issued on or before March 1, 2029.

1.05 Under and pursuant to the provisions of Wisconsin Statutes, Section 67.12(12), the Town is authorized to issue and sell its general obligation promissory notes for any public purpose, including

providing for cash flow financing for the Ferry Line Facilities. Pursuant to Wisconsin Statutes Section 30.34, the Town has created a harbor fund and the Harbor Commission has approved the financing plan set forth in Section 1.03.

1.06 The Town Board has determined that it is necessary and desirable that the Town issue its \$600,000 Taxable Note Anticipation Note, Series 2024E for the purpose of providing cash flow financing for the operation of the Ferry Line Facilities.

1.07 The Town has received a proposal from Bremer Bank, National Association located at 372 St. Peter Street in St. Paul, Minnesota (the "Lender"), to purchase the Note upon the condition that the Note matures and bears interest at the times and rates set forth in Section 2. The Town after due consideration, finds such offer reasonable and proper and the offer of the Lender is hereby accepted. The Chair and Clerk are authorized and directed to execute on the part of the Town a contract for the loan evidenced by the Note in accordance with the terms in this resolution. All actions of the Chair and the Clerk taken with regard to the sale of the Note are hereby ratified and approved.

1.08 Upon closing of the acquisition of the Project, the Town will own and operate the Ferry Line Facilities as a revenue-producing public utility (such Ferry Line Facilities and all properties of every nature constituting a part thereof which may now or hereafter be owned by the Town, including all improvements thereof, all real and personal property comprising a part of said utility, and all appurtenances, contracts, leases, franchises, and other intangibles relating thereto, is hereinafter referred to as the "System" or the "Utility"). As set forth herein, the Town is in the process of acquiring the System and intends to issue and sell its general obligation promissory notes and revenue bonds to provide a portion of the long-term financing for such acquisition.

1.09 The Town electors have adopted on February 29, 2024, a resolution authorizing the Town Board to approve a tax levy in connection with the Town's issuance of general obligation promissory notes in the amount not to exceed \$600,000 to pay the outstanding principal amount of the Note on or before March 1, 2029.

1.10 Pursuant to authority contained in the Act and Section 67.12(1)(b)(i), the Town Board does hereby direct the issuance and sale of its \$600,000 Taxable Note Anticipation Note, Series 2024E of the Town, for the purpose of providing funds for the temporary cash flow financing for the operations of the Ferry Line Facilities, in anticipation of revenues of the Ferry Line Facilities and/or the issuance of permanent financing, such Note being necessary for timely payment of anticipated expenditures from the Town's Ferry Line Service System Revenue Fund. The Note is being issued for purposes for which the Town is authorized to issue general obligation promissory notes under the Act.

Section 2. Terms and Form of the Note.

2.01 The Note shall be a single note, dated as of the date of delivery, in fully registered form, in a principal amount not to exceed \$600,000, with outstanding principal payable in one installment on March 1, 2029 (the "Maturity Date"). The Note shall bear interest on the unpaid principal balance as hereinafter provided. The interest rate on the Note is subject to change from time to time based on changes in an independent index which is the "Prime Rate." For the purposes of the Note, Prime Rate shall mean the Prime Rate of interest as published from time to time in the Wall Street Journal. All changes in the interest rate caused by a fluctuation in the Prime Rate shall become effective automatically on the same date that the change in the Prime Rate became effective (the "Index"). The Index is not necessarily the lowest rate charged by the Lender on its loans. If the Index becomes unavailable during the term of the Note, the Lender may designate a substitute index after notifying the Town. The Lender will tell the Town the current Index rate upon the Town's request. The interest rate change will not occur

more often than each day. Interest shall be payable on the first day of each month (the "Interest Payment Dates") commencing on May 1, 2024 on the outstanding principal balance. Payments shall be applied first to interest due through the stated Interest Payment Date set forth above on the unpaid principal balance and thereafter to reduction of principal. Delinquent payments, if any, shall be applied by the Lender in the following sequence: (1) billed delinquent interest, (2) past-due interest installments, (3) interest installments due and (4) principal installment due. This is a revolving line of credit so principal can be drawn and repaid and drawn again in any amounts and/or at any time prior to the Maturity Date.

2.02 The principal of and interest on the Notes shall be payable by the Town in such funds as are legal tender for the payment of debts due the United States of America.

Section 3. Form of the Note.

3.01 The Notes shall be typewritten or printed in substantially the following form:

UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF ASHLAND

TOWN OF LA POINTE

R-1 \$600,000

TAXABLE NOTE ANTICIPATION NOTE, SERIES 2024E

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
Variable	March 1, 2029	March 21, 2024

REGISTERED OWNER: BREMER BANK, NATIONAL ASSOCIATION

The Town of La Pointe, Ashland County, Wisconsin (the "Town"), for value received, promises to pay to the registered owner specified above (the "Lender"), the principal sum of six hundred thousand dollars (\$600,000) (but only so much as shall have been advanced and remains outstanding), together with interest on the unpaid principal balance from the respective dates the outstanding principal amounts were advanced at the Prime Rate, as hereinafter defined. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the "Prime Rate." For the purposes of this Note, Prime Rate shall mean the Prime Rate of interest as published from time to time in the Wall Street Journal. All changes in the interest rate caused by a fluctuation in the Prime Rate shall become effective automatically on the same date that the change in the Prime Rate became effective (the "Index"). The Index is not necessarily the lowest rate charged by the Lender on its loans. If the Index becomes unavailable during the term of this Note, the Lender may designate a substitute index after notifying the Town. The Lender will tell the Town the current Index rate upon the Town's request. The interest rate change will not occur more often than each day. Interest shall be paid on the 1st day of each month commencing on May 1, 2024, and outstanding principal and interest are due on March 1, 2029. This is a revolving line of credit so principal can be drawn and repaid and drawn again in any amounts and/or at any time on or prior to the Maturity Date. Disbursement of proceeds of this Note shall be made by the Lender to the Town from time to time within two business days after receipt of a disbursement request pursuant to the Town's resolution authorizing the Note.

The principal of and interest on the Note are payable in such funds as are legal tender for payment of debts due the United States of America. Payments shall be applied first to interest on the unpaid

principal balance and thereafter to reduction of principal. Delinquent payments, if any, shall be applied by the Lender in the following sequence: (1) billed delinquent interest, (2) past-due interest installments, (3) interest installments due and (4) principal installment due.

This Note is issued by the Town in the principal amount of \$600,000 pursuant to the authority contained in Wisconsin Statutes, Section 67.12(1)(b) and Section 30.35, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the Town on March 12, 2024 (the "Resolution"), for public purposes, including providing cash flow financing for the operation of the Ferry Line Facilities. The Note is payable from the 2024E Taxable Note Anticipation Notes Debt Service Account in the Town's Debt Service Fund from the proceeds of the Town's general obligation promissory notes, which the Town is authorized and has covenanted to issue at such time and in such amounts necessary to pay principal and unpaid interest on this Note no later than the Maturity Date, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

This Note does not constitute an indebtedness of the Town within the meaning of any constitutional or statutory debt limitation or provision or charge against its general credit or taxing powers. This Note does not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Town, except the agreement of the Town to perform or cause the performance of the covenants and other provisions referred to herein.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of Wisconsin to be done and to exist precedent to and in the issuance of this Note, in order to make it a valid and binding special limited obligation of the Town in accordance with its terms, have been done and do exist in form, time and manner as so required.

IN WITNESS WHEREOF, the Town of La Pointe, Ashland County, Wisconsin, by its governing body, has caused this Note to be executed in its name by the signatures of the Chair and the Clerk and its corporate seal or a true facsimile thereof to be impressed or imprinted hereon, all as of the date of original issue specified above.

Date of Authentication: _____

ATTEST:

[form – no signature required]
Clerk

[form – no signature required]
Chair

(SEAL)

Section 4. Covenants, Funds, Accounts.

4.01 A. Operation Fund. The Town Board has created a separate and special fund designated as the Operation and Maintenance Fund within the Ferry Line Service System Revenue Fund (the "Operation Fund"), which shall be used solely for payment of costs of operation of the Ferry Line Facilities. The proceeds of the Note, except for those proceeds appropriated in Section 4.01C hereof, shall be credited to the Operation Fund. The Town shall pay for the costs of issuance of the Note, including an origination fee to the Lender equal to 20 basis points. The following provisions shall apply to the Operation Fund and draws and payments on the Note: (i) draws on the Note shall be used for Town

costs incurred for the operation of Ferry Line Facilities; (ii) the Note must be at a zero balance for no less than 30 consecutive days prior to maturity of the Note; (iii) the Note may be drawn by the Town as needed, the Note may be prepaid at the option of the Town and drawn again, as a revolving line of credit prior to maturity of the Note.

B. Debt Service Fund. There is hereby established in the treasury of the Town, if it has not already been created, a debt service fund separate and distinct from every other fund (the "Debt Service Fund"), which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the Town may be considered as separate and distinct accounts within the Debt Service Fund. There shall be maintained in the Debt Service Fund a separate account, to be designated the 2024E Taxable Note Anticipation Note Debt Service Account.

C. The 2024E Taxable Note Anticipation Note Debt Service Account. To the 2024E Taxable Note Anticipation Note Debt Service Account ("Debt Service Account") there is hereby pledged and irrevocably appropriated and there shall be credited: (1) the proceeds of the general obligation promissory notes to be issued by the Town, as provided for in Section 4.02 hereof; (2) Net Revenues of the Ferry Line Facilities as provided for in Section 4.01D.; and (3) any and all other monies which are properly available and are appropriated by the Town Board to the Debt Service Account. No money shall be withdrawn from the Debt Service Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full. When all of the Note has been paid in full and cancelled, and all permitted investments disposed of, any money remaining in the Debt Service Account shall be deposited in the general fund of the Town, unless the Town Board directs otherwise.

D. Subject to the prior pledge of Net Revenues of the Ferry Line Facilities set forth in the bond ordinance for the 2024B Bonds, the Town Treasurer shall make, on a monthly basis, an allocation of Net Revenues for paying the interest on the Note as provided for in the bond ordinance for the 2024B Bonds.

4.02 Covenant to Issue General Obligation Notes. The Town Board represents, covenants and agrees that (i) it has and will have full power and authority to issue general obligation promissory notes at such time and in such amounts necessary to pay the principal of and outstanding interest on the Notes due on or before March 1, 2029; and (ii) it will issue such general obligation promissory notes or other municipal obligations to pay the principal of and interest on the Notes on or before March 1, 2029 to repay the Notes.

Section 5. Certificate of Proceedings.


5.01 The officers of the Town are authorized and directed to prepare and furnish to the Purchasers and to bond counsel certified copies of all proceedings and records of the Town relating to the authorization and issuance of the Notes and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Notes as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Town as to the correctness of facts recited therein and the actions stated therein to have been taken.

5.02 The Clerk shall provide and keep a separate 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 Notes.

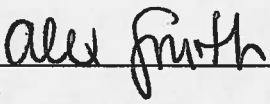
5.03 In the event of the absence or disability of the Chair or Clerk, such officers of the Town or members of the Town Board as in the opinion of the Town's attorney may act in their behalf, shall without further act or authorization execute and deliver the Notes, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 6. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

Adopted March 12, 2024.


Chair

Attest:


Clerk

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