

RESOLUTION

RESOLUTION NO. 2022-07-05b

RESOLUTION AUTHORIZING THE BORROWING OF \$1,503,760.00; PROVIDING FOR THE ISSUANCE AND SALE OF A GENERAL OBLIGATION PROMISSORY NOTE THEREFOR; AND LEVYING A TAX IN CONNECTION THEREWITH

WHEREAS, the Town Board (the "Governing Body") hereby finds and determines that it is necessary, desirable and in the best interest of the Town of Cottage Grove, Dane County(ies), Wisconsin (the "Issuer") to raise funds for the purpose of:

to purchase equipment and to finance road construction/improvements for 2023.

(the "Borrowing Purpose"); and

WHEREAS, the Governing Body hereby finds and determines that the Borrowing Purpose is within the Issuer's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b) of the Wisconsin Statutes; and

WHEREAS, the Issuer is authorized by the provisions of Section 67.12(12) of the Wisconsin Statutes to borrow money and issue general obligation promissory notes for such public purposes.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Issuer that:

Section 1. Authorization of the Note. For the purpose of paying the cost of the Borrowing Purpose, there shall be borrowed pursuant to Section 67.12(12) of the Wisconsin Statutes, the principal sum of \$1,503,760.00 from Monona Bank (the "Lender") in accordance with the terms set forth herein.

Section 2. Issuance of the Note. To evidence such indebtedness, the Chairperson and the Clerk are hereby authorized, empowered and directed to make, execute, issue and deliver to the Lender for, on behalf of and in the name of the Issuer, a general obligation promissory note aggregating the principal amount of \$1,503,760.00 (the "Note").

Section 3. Terms of the Note. The Note shall be designated "General Obligation Promissory Note"; shall be dated the date of its issuance; shall bear interest at the rate of 2.650% per annum; and shall be payable as follows:

Borrower will pay this loan in accordance with the following payment schedule: 9 annual consecutive interest payments, beginning March 15, 2023, with interest calculated on the unpaid principal balances at an interest rate of 2.650% per annum; one principal payment of \$74,752.30 on March 15, 2023, during which interest continues to accrue on the unpaid principal balances at an interest rate of 2.650% per annum; 8 annual consecutive principal payments of \$158,778.64 each, beginning March 15, 2024, during which interest continues to accrue on the unpaid principal balances at an interest rate of 2.650% per annum; and one principal and interest payment of \$162,997.74 on March 15, 2032, with interest calculated on the unpaid principal balances at an interest rate of 2.650% per annum. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Resolution Authorizing Borrowing. Notwithstanding the foregoing, the rate of interest accrual described for any principal only payment stream applies only to the extent that no other interest rate for any other payment stream applies.

Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

Section 4. Prepayment Provisions. The Note shall have prepayment privileges on any principal or interest payment date on or after 07-06-2022.

Section 5. Form of the Note. The Note shall be issued in registered form and shall be attached hereto and incorporated herein by this reference.

Section 6. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Note as the same becomes due, the full faith, credit and resources of the Issuer are hereby irrevocably pledged, and a direct annual irrepealable tax is hereby levied upon all taxable property of the Issuer. Said direct annual irrepealable tax shall be levied in the years and amounts as follows:

Levy Year	Amount
2023	\$104,557.65
2024	\$196,751.10
2025	\$192,439.71
2026	\$188,232.08
2027	\$184,024.44
2028	\$179,874.45
2029	\$175,609.17
2030	\$171,401.54
2031	\$167,193.91
2032	\$162,997.74

The aforesaid direct annual irrepealable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Issuer levied in said years are collected. So long as any part of the principal of or interest on the Note remains unpaid, the tax herein above levied shall be and continues irrepealable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created herein. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on the Note when due, the requisite amount shall be paid from other funds of the Issuer then available, which sums shall be replaced upon the collection of the taxes herein levied. In the event the Issuer exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

Section 7. Debt Service Fund Account. There is hereby established in the Issuer's treasury a fund account separate and distinct from every other Issuer fund or account designated "Debt Service Fund Account for \$1,503,760.00 General Obligation Promissory Note." Such fund shall be maintained in accordance with generally accepted accounting practices. There shall be deposited in said fund account any premium plus accrued interest paid on the Note at the time of delivery to the Lender, all money or funds raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay interest on the Note when the same shall become due and to retire the principal installments on the Note. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Note and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished. Sinking funds established for obligations previously issued by the Issuer may be considered as separate and distinct accounts within the Debt Service Fund Account.

Section 8. Segregated Borrowed Money Fund. The proceeds of the Note (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Note into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and be disbursed solely for the purposes for which borrowed or for the payment for the principal of and the interest on the Note.

Section 9. Arbitrage Covenant. The Issuer shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Note (the "Closing"), would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any income tax regulations promulgated thereunder (the "Regulations").

The Note Proceeds may be temporarily invested in legal investments until needed, provided however, that the Issuer hereby covenants and agrees that so long as the Note remains outstanding, moneys on deposit in any fund or account created or maintained in connection with the Note, whether such moneys were derived from the Note Proceeds or from any other source, will not be used or invested in a manner which would cause the Note to be an "arbitrage bond" within the meaning of the Code or Regulations.

The Clerk, or other officer of the Issuer charged with responsibility for issuing the Note, shall provide appropriate certifications of the Issuer, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the Issuer regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 10. Additional Tax Covenants, Exemption from Rebate, Qualified Tax-Exempt Obligation Status. The Issuer hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Note) to assure that the Note is an obligation described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout its term. The Clerk or other officer of the Issuer charged with the responsibility of issuing the Note, shall provide appropriate certifications of the Issuer as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the Issuer to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Note will continue to be an obligation described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes.

For Note Proceeds allocable to a Borrowing Purpose for new projects or acquisitions, the Issuer reasonably expects to:

- qualify for the small issuer rebate exception because it (including any entities subordinate to the Issuer) will issue no more than \$5,000,000 of tax-exempt obligations (including the Note(s)) during the current calendar year
- qualify for the eighteen month rebate exception under Section 1.148-7(d) of the Regulations.

ISSUER'S CERTIFICATE




The undersigned is the duly qualified and acting Clerk of the Town of Cottage Grove, Dane County(ies), Wisconsin (the "Issuer") who hereby certifies to Monona Bank ("Lender") that:

I. ISSUER ORGANIZATION AND OFFICERS

1. At all times mentioned herein, the Issuer was duly organized, validly existing and operating as a town administered by a governing body composed of five (5) members (the "Governing Body"), who are listed below and were duly qualified and acting as such at all times mentioned in this Certificate:

Mike Fonger, Steve Anders, Kristi Williams, Mike DuPlayee and Kris Hampton

2. The following named individuals whose authentic signatures are hereto subscribed, are the duly elected/appointed, qualified and acting officers of the Issuer presently holding the offices set forth opposite their respective names below:

<u>Name</u>	<u>Office</u>	<u>Manual Signature</u>
Kris Hampton	Chairperson	
Debra R Abel	Treasurer	
Kim M Banigan	Clerk	

II. AUTHORIZATION OF THE NOTE: OPEN MEETING LAW COMPLIANCE

3. At a lawful, duly-convened open meeting of the Governing Body held at 4058 CTH N, Cottage Grove, WI 53527, Wisconsin at 7:30 PM on the 5th Day of July, 2022, at which 4 of the members-elect of the Governing Body were present in person, a resolution authorizing the Issuer to borrow the sum of not to exceed \$1,503,760.00 and issue its General Obligation Promissory Note (the "Note") therefor pursuant to Section 67.12(12), Wis. Stats., (the "Resolution"), was, on motion duly made and seconded, adopted and recorded by the affirmative vote of 3 of the members of the Governing Body. Said meeting of the Governing Body was duly called, noticed, held and conducted in the manner established by the Governing Body and required by pertinent Wisconsin Statutes.

4. The Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting by (i) posting notice of the meeting, (ii) providing notice to those news media which have filed a written request for notice of meetings; (iii) providing notice to the official newspaper of the Issuer, and (iv) complying with special meeting requirements if said meeting was a special meeting.

5. The Resolution has been duly recorded in the minutes of said meeting, has not been amended or revoked, and, in all other respects, is in full force and effect on the date hereof and there is no proceeding of the Governing Body or Issuer electors in conflict with or in any way altering the effect of the Resolution. A true and correct copy of said Resolution is attached hereto as a part of the transcript of proceedings.

III. DEBT LIMIT COMPLIANCE

6. The full value of all taxable property located within the Issuer's boundaries, as last equalized for State purposes by the Wisconsin Department of Revenue, is \$527,156,100.00. The Department of Revenue Certificate of Equalized Value is attached hereto as a part of the transcript of proceedings.

7. The total outstanding general obligation indebtedness of the Issuer, howsoever incurred, including this Note, aggregates not more than \$2,044,275.24, determined as follows:

<u>Amount</u>	<u>Description of Debt</u>
\$1,503,760.00	Principal/Issue Amount
\$94,606.11	to purchase patrol vehicle
\$445,909.13	One Community Bank Loan

IV. DELIVERY, RECEIPT, RECORD BOOK

8. I have delivered the Note to the Lender in the principal amount set forth in and duly authorized by the Resolution.

9. I have received the full principal amount of the Note issued to the Lender.

10. The Lender has complied in all respects with its agreement to lend money on the Note.

11. I have provided and kept and will keep a separate record book in which I have recorded a full and correct statement of every step or proceeding had or taken in the course of issuing the Note referred to herein. The Treasurer is prepared to keep a record of the Note received and returned to him or her.

V. NO LITIGATION

12. There is no legislation, reorganization, proceedings or order, controversy or litigation pending or threatened in any manner questioning or affecting the corporate existence of the Issuer, its boundaries, the right or title of any of its officers to his or her respective office, or the due authorization or validity of the Note referred to herein, the Resolution or any of the taxes heretofore levied by the Issuer.

VI. FACTS AND REASONABLE EXPECTATIONS RELATING TO ARBITRAGE REQUIREMENTS

13. The certifications made in this Section VI of this Certificate are being made pursuant to Section 1.148-1 through 1.148-11 of the Income Tax Regulations and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Regulations" and "Code," respectively).

14. The Issuer is a governmental unit with general taxing powers.

15. All of the proceeds of the Note (the "Note Proceeds") shall be used for governmental purposes of the Issuer. None of the Note Proceeds will be used (directly or indirectly) in a trade or business carried on by any person (other than a governmental unit), and none of the payments on the Note are (directly or indirectly): (a) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (b) derived from payments (whether or not to the Issuer) in respect of property or borrowed money, used or to be used for a trade or business.

16. None of the Note Proceeds will be used (directly or indirectly) to make or finance loans to persons other than government units.

17. The estimated total cost of the Borrowing Purpose is \$1,503,760.00. "Borrowing Purpose" has the meaning given in the attached Resolution.

18. The Note Proceeds and earnings on temporary investment thereof will not exceed the amount necessary for the Borrowing Purpose by more than the lesser of \$100,000 or Five Percent (5%) of the Note Proceeds.

19. If the Borrowing Purpose includes funding new projects or acquisitions:

a) The Note Proceeds and any money received from the investment or reinvestment of Note Proceeds, and from investment of money derived from such investments, will be expended on the costs of the Borrowing Purpose within three (3) years from the date of this Certificate.

b) The Issuer has heretofore entered into some substantial binding obligations for the Borrowing Purpose and will, within six (6) months of the date of this Certificate, enter into additional substantial binding obligations requiring payment by the Issuer of not less than Five Percent (5%) of the Note Proceeds.

c) Work on some elements of the Borrowing Purpose has begun. Work on all elements of the Borrowing Purpose will proceed with due diligence to completion.

d) The Issuer reasonably expects to:

qualify for the small issuer rebate exception because it (including any entities subordinate to the Issuer) will issue no more than \$5,000,000 of tax-exempt obligations (including the Note) during the current calendar year.

qualify for the eighteen month rebate exception under Section 1.148-7(d) of the Regulations.

qualify for the two-year rebate exception under Section 148(f)(4) of the Code.

not qualify for an exception to rebate.

20. If the Borrowing Purpose includes refunding outstanding obligations of the Issuer:

a) The obligations being refunded will be discharged within 30 days of the date hereof.

b) There are no remaining original or investment proceeds of the obligations being refunded, so that there are no "transferred proceeds" with respect to the Note.

c) All of the Note Proceeds will be expended within six months of the date hereof.

d) The Issuer expected on the date the obligations being refunded were issued that at least 85% of the spendable proceeds of the refunded obligations would be used to carry out the governmental purposes of those obligations within a three year period beginning on such date, and not more than 50% of the proceeds of the refunded obligations were invested in investments having a substantially guaranteed yield for four years or more.

21 None of the Note Proceeds will be invested in a reserve or replacement fund.

22. There are no other obligations of the issuer which (a) were sold at substantially the same time as the Note; (b) were sold pursuant to a common plan of financing together with the Note; and (c) will be paid out of substantially the same source of funds as the Note.

23. None of the Note Proceeds are being invested in investments having a substantially guaranteed yield for a period of four years or more.

24 The issuance of the Note is not a transaction or part of a series of transactions which the Issuer has employed that attempts to circumvent the Regulations or Code for the purpose of enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and which increases the burden on the market for tax-exempt obligations.

VII. BONA FIDE DEBT SERVICE FUND ACCOUNT

25 The Issuer has created a segregated debt service fund account pursuant to Section 7 of the Resolution (the "Debt Service Fund Account").

26 The Debt Service Fund Account shall be used primarily to achieve proper matching of revenues and debt service within each note year. Amounts deposited in the Debt Service Fund Account will be depleted at least once a year except for a reasonable carryover amount which will not exceed the greater of (a) one year's earnings on such funds, or (b) one-twelfth of the annual debt service on the Note.

27 The Issuer does not anticipate that the earnings on amounts in the Debt Service Fund Account will ever exceed \$100,000 in any note year.

28 Other than the Debt Service Fund Account, the Issuer has not created or established, and does not expect to create or establish, any sinking or other similar account which is reasonably expected to be used to pay debt service on the Note or which is pledged as collateral for the Note or to replace funds that will be used to pay debt service on the Note.

VIII. QUALIFIED TAX-EXEMPT OBLIGATIONS

29. The Note constitutes a "qualified tax-exempt obligation" as that term is defined in the Code in that:

a) as described in Paragraphs 15 and 16 of this Certificate, the Note is not a "private activity bond" as defined in the Code;

b) the Issuer has designated the Note as a "qualified tax-exempt obligation";

c) The Note, together with any other obligations heretofore designated as "qualified tax-exempt obligations" during the current calendar year, aggregate less than \$10,000,000; and

d) The Issuer does not reasonably expect to issue more than \$10,000,000 of obligations which are designated as "qualified tax-exempt obligations" during the current calendar year.

IX. MISCELLANEOUS

30. The payment of principal or interest with respect to the Note will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof. None of the Note Proceeds will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, except for proceeds invested during permitted temporary periods or in the debt service fund for the Note or as otherwise permitted under Section 149(b)(3) of the Code.

31. With respect to a Borrowing Purpose that includes funding for new projects or acquisitions, any expenditures already paid by the Issuer for which the Issuer is to be reimbursed with Note Proceeds (a) were paid no more than 60 days before the date on which the Issuer adopted the resolution authorizing the issuance of the Note or stating its intention to reimburse itself from the Note Proceeds for any expenditures relating to said new projects or acquisitions which it paid from other funds prior to receipt of the Note Proceeds, or (b) are preliminary expenditures relating to said new projects or acquisitions (such as architectural, engineering, surveying, soil testing and similar costs but not including land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the issue price of the Note.

The undersigned hereby certifies that the above-stated facts are true and correct and the above-stated expectations of the Issuer are reasonable, and there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity effective as of the original date of issue of the Note.

GENERAL OBLIGATION PROMISSORY NOTE

UNITED STATES OF AMERICA
STATE OF WISCONSIN
TOWN OF COTTAGE GROVE

original date of issue:

07-06-2022

REGISTERED OWNER: Monona Bank

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED THREE THOUSAND SEVEN HUNDRED SIXTY & 00/100 DOLLARS
(\$1,503,760.00)

Section 1. Payment Schedule. KNOW ALL MEN BY THESE PRESENTS that the Town of Cottage Grove, Dane County(ies), Wisconsin (the "Issuer"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner identified above, or to registered assigns, (the "Lender") the principal amount identified above, payable with interest at the rate of 2.650% per annum as follows:

Borrower will pay this loan in accordance with the following payment schedule: 9 annual consecutive interest payments, beginning March 15, 2023, with interest calculated on the unpaid principal balances at an interest rate of 2.650% per annum; one principal payment of \$74,752.30 on March 15, 2023, during which interest continues to accrue on the unpaid principal balances at an interest rate of 2.650% per annum; 8 annual consecutive principal payments of \$158,778.64 each, beginning March 15, 2024, during which interest continues to accrue on the unpaid principal balances at an interest rate of 2.650% per annum; and one principal and interest payment of \$162,997.74 on March 15, 2032, with interest calculated on the unpaid principal balances at an interest rate of 2.650% per annum. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Notwithstanding the foregoing, the rate of interest accrual described for any principal only payment stream applies only to the extent that no other interest rate for any other payment stream applies.

Both the principal of and interest on this Note are payable to the Lender in lawful money of the United States at the office of the Lender. Payment of the last installment of principal of this Note shall be made upon presentation and surrender hereof to the Issuer's Clerk or Treasurer.

Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

Section 2. Other Charges. If any payment (other than the final payment) is not made on or before the 10th day after its due date, Lender may collect a delinquency charge of 5.000% of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid (whether by acceleration or lapse of time) at the rate of 18.000% per year, computed on the basis of a 365 day year. Issuer agrees to pay a charge of \$15.00 for each check presented for payment under this Note which is returned unsatisfied.

Section 3. Security. For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

Section 4. Purpose and Authorization. This Note is issued pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the purpose of paying the cost of the "Borrowing Purpose" as defined and authorized by a resolution of the Issuer's Town Board (the "Governing Body") duly adopted at a meeting held on 07-05-2022. Said resolution is recorded in the official minutes of the Governing Body for said date.

Section 5. Prepayment. This Note is subject to redemption prior to maturity on any principal or interest payment date on or after 07-06-2022, at the unpaid principal amount thereof, plus accrued interest to the date of redemption. All prepayments, if applicable, shall be applied first upon the unpaid interest and then applied upon the unpaid principal in inverse order of maturity.

Section 6. Transferability. This Note is transferable by a written assignment, in a form satisfactory to the Issuer's Clerk, duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Note may be issued to the transferee in exchange hereof if requested by said transferee. The Issuer 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, and interest due hereon and for all other purposes, and the Issuer shall not be affected by notice to the contrary.

Section 7. Certifications. 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 Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the Issuer, including this Note, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrevocable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable. It is hereby further certified that the Issuer has designated this Note to be a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 8. Default. Upon the occurrence of any one or more of the following events of default, then the unpaid balance shall, at the option of Lender, without notice, mature and become immediately payable: (a) Issuer fails to pay any amount when due under this Note or under any other instrument evidencing any indebtedness of Issuer to Lender; (b) any representation or warranty made under this Note or information provided by Issuer to Lender in connection with this Note is or was false or fraudulent in any material respect; (c) a material adverse change occurs in Issuer's financial condition; (d) Issuer fails to timely observe or perform any of the covenants or duties in this Note; (e) an event of default occurs under any agreement securing this Note; or (f) Lender deems itself insecure. The unpaid balance shall automatically mature and become immediately payable in the event Issuer becomes the subject of bankruptcy or other insolvency proceedings. Lender's receipt of any payment on this Note after the occurrence of an event of default shall not constitute a waiver of the default of the Lender's rights and remedies upon such default.

Section 9. Issuer Obligations. Issuer agrees to pay all costs of collection before and after judgment, including, without limitation, reasonable attorney's fees (including those incurred in successful defense or settlement of any counterclaim brought by Issuer or incident to any action or proceeding involving Issuer brought pursuant to the United States Bankruptcy Code) and waive presentment, protest, demand and notice of

dishonor. Subject to Wis. Stat. § 893.80, Issuer agrees to indemnify and hold harmless Lender, its directors, officers and agents, from and under this Note or the activities of Issuer. This indemnity shall survive payment of this Note. Issuer acknowledges that Lender has not made any representation or warranties with respect to, and the Lender does not assume any responsibility to Issuer for, the collectability or enforceability of this Note or the financial condition of Issuer. Issuer has independently determined the collectability and enforceability of this Note. Issuer authorizes Lender to disclose financial and other information about Issuer to others.

Section 10. Waiver. No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy under this Note shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this Note preclude any other or further exercise of the right or the exercise of any other right.

Section 11. Rights of Lender. The remedies provided in this Note are cumulative and not exclusive of any remedies provided by law. Without affecting the liability of Issuer, Lender may, without notice, accept partial payments, release or impair any collateral security for the payment of this Note or agree not to sue any party liable on it. Without affecting the liability of Issuer, Lender may from time to time, without notice, renew or extend the time for repayment subject to the time limits prescribed in Wis. Stat. § 67.12(12).

Section 12. Venue, Interpretation. Unless otherwise prohibited by law, the venue for any legal proceeding relating to collection of this Note shall be, at Lender's option: (a) the county in which Lender has its principal office in this state; (b) the county in which Issuer is located; (c) or the county in which this Note was executed by Issuer. This Note is intended by Issuer and Purchase as the final expression of this Note and as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this Note. This Note may not be supplemented or modified except in writing. This Note benefits Lender, its successors and assigns and binds Issuer and its successors and assigns. The validity, construction and enforcement of this Note are governed by the internal laws of Wisconsin. Invalidity or unenforceability of any provision of this Note shall not affect the validity or enforceability of any other provisions of this Note.

BUSINESS ONLINE BANKING AUTHORIZATION. The undersigned authorizes Monona Bank to add this loan to our Business Online Banking Profile.

DRAW NOTE PROVISIONS.

Multiple Advances. Issuer requests that Lender lend to Issuer from time to time such amounts as Issuer may request, in accordance with and subject to the terms of this Note. Lender agrees to lend such amounts up to the aggregate amount advanced of \$1,503,760.00 (the "Credit Limit") in one or more advances before July 6, 2024. Amounts advanced to Issuer and repaid to Lender may not be reborrowed by Issuer under this Note.

Loan Advance Procedures. Issuer may obtain advances on the Note by giving Lender at least zero (0) business days' prior notice of any advance requested, specifying the date and amount of the advance. Lender will make the funds available to Issuer () by crediting the amount of the advance to Issuer's account (Account No. 139510) with Lender OR () by funding as directed by Issuer. Each advance shall be requested in writing by the Issuer's Clerk and/or Chairperson, which request may be conclusively relied upon by Lender. Each advance which is less than the remaining amount available to Issuer under this Note shall be in the amount of not less than \$5,000.00.

ERRORS & OMISSIONS. The undersigned Issuer for and in consideration of the above-referenced Lender funding the closing of this loan agrees, if requested by Lender or Closing Agent for Lender, to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market said loan to any entity, including but not limited to an investor.

In the event any of the documents evidencing and/or securing the above referenced loan misstate or inaccurately reflect the true and correct terms and provisions of the loan and said misstatement or inaccuracy is due to unilateral mistake on the part of the Lender, mutual mistake on the part of the Lender and Issuer or clerical error, then in such event Issuer shall upon request of Lender and in order to correct such misstatement of inaccuracy, execute such new documents or initial such corrected original documents as Lender may deem necessary to remedy said inaccuracy or mistake and Issuer's failure to initial or execute such documents as requested shall constitute a default under the note evidencing the deed of trust/mortgage or security agreement securing the loan. Issuer agrees to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with Lender's requests within thirty (30) days.

In the event any of the documents anticipated to be executed at closing, whether pursuant to the Commitment Letter, or required by Lender's counsel, is not executed at the time of closing, Issuer shall execute or cause the same to be executed when said documents are provided. If any of the documents contain misstatements or inaccuracies, the foregoing paragraph shall apply.

FINANCIAL COVENANTS & RATIOS. Issuer shall furnish to Lender the following:

Annual Statements. As soon as available, but in no event later than one-hundred-twenty (120) days after the end of each fiscal year, a balance sheet and income financial statement with Independent Auditor's Report for the year ended, audited and prepared by Issuer.

IN WITNESS WHEREOF, the Issuer, by its Governing Body, has caused this Note to be executed for it and in its name by the signatures of its duly qualified Chairperson and Clerk or persons authorized by law to sign on their behalf, and to be sealed with its official or corporate seal, if any, all as of the original date of issue identified above.

TOWN OF COTTAGE GROVE, WISCONSIN:

(Seal)

By: Kris Hampton
Kris Hampton, Chairperson

By: K.M. Banigan
Kim M Banigan, Clerk

INVESTMENT REPRESENTATION

The undersigned duly authorized officer of Monona Bank ("Lender") located in Monona, Wisconsin, hereby certifies with respect to the purchase of that certain \$1,503,760.00 Promissory Note dated July 6, 2022, issued by the Town of Cottage Grove, Dane County(ies), Wisconsin, that the Lender is purchasing said note for investment purposes and will not resell said note, except to another depository institution or depository institutions which will also make this certification. This Investment Representation is dated July 6, 2022.

LENDER:

MONONA BANK

By: 

Laura J. Peterson, Senior Vice President

Information Return for Tax-Exempt Governmental Bonds

Under Internal Revenue Code section 149(e)
See separate instructions.

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC
Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name Town of Cottage Grove	2 Issuer's employer identification number (EIN) 39-6005842		
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box, if mail is not delivered to street address) 4058 County Rd N	Report/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Cottage Grove, WI 53527-9503		7 Date of issue 07-06-2022	
8 Name of issue General Obligation Promissory Note - Monona Bank		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information. Debra R Abel, Treasurer		10b Telephone number of officer or other employee shown on 10a (608) 839-5021	

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe General Obligation Promissory Note - Monona Bank	18 1,503,760.00
19a If bonds are TANs or RANs, check only box 19a <input type="checkbox"/>	
b If bonds are BANs, check only box 19b <input type="checkbox"/>	
20 If bonds are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 03-15-2032	\$ 1,503,760.00	\$ 1,503,760.00	10 years	2.65 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 1,503,760.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27
28 Proceeds used to refund prior taxable bonds. Complete Part V	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 1,503,760.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	

Part VI Miscellaneous

- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) 35
- 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC).
See instructions 36a
 - b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____
 - c Enter the name of the GIC provider ▶ _____
- 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units 37
- 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____
 - c Enter the EIN of the issuer of the master pool bond ▶ _____
 - d Enter the name of the issuer of the master pool bond ▶ _____
- 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box
- 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a If the issuer has identified a hedge, check here and enter the following information:
 - b Name of hedge provider ▶ _____
 - c Type of hedge ▶ _____
 - d Term of hedge ▶ _____
- 42 If the issuer has superintegrated the hedge, check box
- 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44 If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement
- b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____

Signature and Consent Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. I further declare that I consent to the preparer's preparation of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative: [Signature] Date: 7/6/2022 Type or print name and title: Debra H. Treanor

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶		Phone no.	
	Firm's address ▶				