

RESOLUTION NO. 2023-04

RESOLUTION AUTHORIZING THE ISSUANCE AND AWARDING THE SALE OF  
\$4,890,000 GENERAL OBLIGATION PROMISSORY NOTES  
PROVIDING THE FORM OF THE NOTES;  
AND LEVYING A TAX IN CONNECTION THEREWITH

WHEREAS, it is necessary that funds be raised by the Village of McFarland, Dane County, Wisconsin (the "Village") for the purpose of paying the costs of Village capital improvement projects including issuance expenses, to wit: facilities, street, sidewalk, pedestrian ways, park and traffic safety improvements and related costs, community development expenses and property acquisition and equipment purchases (the "Project"), and there are insufficient funds on hand to pay said costs;

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

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

WHEREAS, the Village (in consultation with the Village's financial advisor) caused an Official Notice of Sale to be distributed, offering its general obligation promissory notes for public sale on March 28, 2023;

WHEREAS, sealed bid proposals were received as summarized on Exhibit C attached hereto; and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by TD Securities (USA) LLC, New York, New York, fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the Village. A copy of said bid is attached hereto as Exhibit A and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village that:

Section 1. Authorization and Award of the Notes. For the purpose of paying the cost of the Project there shall be borrowed pursuant to Section 67.12(12) of the Wisconsin Statutes, the principal sum of FOUR MILLION EIGHT HUNDRED NINETY THOUSAND DOLLARS (\$4,890,000). The bid proposal of TD Securities (USA) LLC, New York, New York, (the "Purchaser") is hereby accepted, said proposal offering to purchase the \$4,890,000 Village of McFarland General Obligation Promissory Notes (the "Notes") for the sum of FIVE MILLION TWENTY THREE THOUSAND FIVE HUNDRED NINETY-SEVEN DOLLARS AND TWENTY-FIVE CENTS (\$5,023,597.25), plus accrued interest to the date of delivery, resulting in a net interest cost of NINE HUNDRED SIXTY TWO THOUSAND SEVEN HUNDRED SIXTY-TWO DOLLARS AND SEVENTY-EIGHT CENTS (\$962,762.78) and a true interest rate of 3.227381%.

**Section 2. Designation of Purchaser as Agent.** The Village hereby designates the Purchaser as its agent for purposes of distributing the Final Official Statement relating to the Notes to any participating underwriter in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

**Section 3. Terms of the Notes.** The Notes shall be designated “General Obligation Promissory Notes”; shall be dated April 12, 2023; shall be in the denomination of \$5,000 or any integral multiple thereof; shall bear interest at the rates per annum and mature on March 1 of each year, in the years and principal amounts as set forth in the Pricing Summary attached hereto as **Exhibit D** and incorporated herein by this reference. Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2024. The schedule of principal and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto as **Exhibit E** and incorporated herein by this reference (the “Schedule”).

**Section 4. Redemption Provisions.** At the option of the Village, the Notes maturing on March 1, 2032 and thereafter shall be subject to redemption prior to maturity on March 1, 2031 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, from maturities selected by the Village and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

**Section 5. Form of the Notes.** The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as **Exhibit B** 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 Notes as the same becomes due, the full faith, credit and resources of the Village are hereby irrevocably pledged and a direct annual irrepealable tax is hereby levied upon all of the taxable property of the Village. Said direct annual irrepealable tax shall be levied in the years 2023 through 2032 for payments due in 2024 through 2033 in the amounts as set forth on the Schedule.

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 Village levied in said years are collected. So long as any part of the principal of or interest on the Notes 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.

**Section 7. Debt Service Fund Account.** There is hereby established in the Village treasury a fund account separate and distinct from every other Village fund or account designated “Debt Service Fund Account for \$4,890,000 Village of McFarland General Obligation Promissory Notes, dated April 12, 2023.” There shall be deposited in said fund account any premium plus accrued interest paid on the Notes at the time of delivery to the Purchaser, all money raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay interest on the Notes when the same shall become due and to retire the Notes at their respective maturity dates. Said fund account shall be used for the sole purpose of paying the

principal of and interest on the Notes and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished.

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

Section 9. Arbitrage Covenant. The Village 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 Notes (the “Closing”), would cause the Notes to be “arbitrage bonds” 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 Village hereby covenants and agrees that so long as the Notes remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Notes, 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 Notes to be “arbitrage bonds” within the meaning of the Code or Regulations.

The Village Clerk/Treasurer, or other officer of the Village charged with responsibility for issuing the Notes, shall provide an appropriate certificate of the Village, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the Village 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 Village 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 Notes) to assure that the Notes are obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout their term. The Village Clerk/Treasurer or other officer of the Village charged with the responsibility of issuing the Notes, shall provide an appropriate certificate of the Village 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 Village to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Notes will continue to be obligations described in Section 103(a) of the Code, the interest on which is excludable from gross income for federal income tax purposes.

The Village anticipates that the Notes will qualify for the eighteen month expenditure exemption from the rebate requirements of the Code. The Village Clerk or other officer of the Village charged with the responsibility of issuing the Notes, shall provide an appropriate

certificate of the Village as of the Closing, for inclusion in the transcript of proceedings, with respect to said exemption from the rebate requirements, and the Village Clerk or other officer is hereby authorized to make any election on behalf of the Village in order to comply with the rebate requirements of the Code. If, for any reason, the Village did not qualify for any exemption from the rebate requirements of the Code, the Village covenants that it would take all necessary steps to comply with such requirements.

The Village hereby designates the Notes to be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code and in support of such designation, the Village Clerk or other officer of the Village charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the Village as of the date of delivery and payment for the Notes.

Section 11. Persons Treated as Owners; Transfer of Notes. The Village Clerk/Treasurer shall keep books for the registration and for the transfer of the Notes. The person in whose name any Note 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 Note 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 Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Village Clerk/Treasurer, 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 Village Clerk/Treasurer shall deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Village Clerk/Treasurer shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Village Clerk/Treasurer shall cancel any Note surrendered for transfer.

The Village shall cooperate in any such transfer, and the Village President and Village Clerk/Treasurer are authorized to execute any new Note or Notes necessary to effect any such transfer.

The 15th day of each calendar month next preceding each interest payment date shall be the record date for the Notes. Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the Village maintained by the Village Clerk/Treasurer at the close of business on the corresponding record date.

Section 12. Utilization of The Depository Trust Company Book-Entry-Only-System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Village has heretofore agreed to the applicable provisions set forth in the DTC Blanket Issuer Letter of Representation and an officer of the Village has executed such Letter of Representation and delivered it to the DTC on behalf of the Village.

Section 13. Official Statement. The Village Board hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and

Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the Village in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with Closing, the appropriate Village official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The appropriate Village official shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 14. Execution of the Notes. The Notes shall be issued in typewritten form, one Note for each maturity, executed on behalf of the Village by the manual or facsimile signatures of the Village Clerk/Treasurer and the Village President (except that one of the foregoing signatures shall be manual), sealed with its official or corporate seal, and delivered to the Purchaser upon payment to the Village of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the delivery of the Notes, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

Section 15. Payment of the Notes. The principal of and interest on the Notes shall be paid by the Village Treasurer or his agent in lawful money of the United States.

Section 16. Continuing Disclosure. The Village hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Certificate which the Village will execute and deliver on the Closing Date. Any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Village to comply with its obligations under this Section.

Section 17. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Village or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

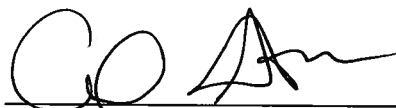
Adopted this 28<sup>th</sup> day of March, 2023.



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Carolyn Clow  
Village President

(SEAL)

ATTEST:



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Cassandra Suettinger  
Village Clerk/Treasurer

