



# ***GREEN LAKE COUNTY***

*571 County Road A, Green Lake, WI 54941*

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**Original Post Date: 07/15/2022**

**Amended\* Post Date:**

**The following documents are included in the packet for the  
Special Finance Packet on July 19, 2022:**

- 1) Agenda
- 2) Final Resolution Regarding Unconditional County Guaranty of Its Pro Rata Share, Intergovernmental Agreement and Taxable Revenue Bond Financing for Bug Tussel 1, LLC Project
- 3) Email Regarding Resolution



**GREEN LAKE COUNTY**  
**OFFICE OF THE COUNTY CLERK**

*Elizabeth Otto*  
*County Clerk*

*Office: 920-294-4005*  
*FAX: 920-294-4009*

***Special Finance Committee***  
***Meeting Notice***

***Date: July 19, 2022 Time: 5:00 PM***  
***The Green Lake County Government Center, County Board Room***  
***571 County Road A, Green Lake WI***

**AGENDA**

**Committee  
Members**

*Harley Reabe, Chair*  
*Luke Dretske*  
*Donald Lenz*  
*Dennis Mulder*  
*Brian Floeter, Vice Chair*

*Elizabeth Otto, Secretary*

Virtual attendance at meetings is optional. If technical difficulties arise, there may be instances when remote access may be compromised. If there is a quorum attending in person, the meeting will proceed as scheduled.

1. Call to Order
2. Certification of Open Meeting Law
3. Pledge of Allegiance
4. Resolutions
  - Final Resolution Regarding Unconditional County Guaranty of Its Pro Rata Share, Intergovernmental Agreement and Taxable Revenue Bond Financing for Bug Tussel 1, LLC Project
5. The Committee may enter into closed session under Wis. Stat. s. 19.85(1)(g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is involved. This matter relates to Green Lake County vs Purdue Pharma L.P. et al.
6. Reconvene into Open Session to take action, if appropriate, on matters discussed in Closed Session.
7. Committee Discussion
  - Future Meeting Dates: Regular Meeting 07/27/2022
  - Future Agenda items for action & discussion
8. Adjourn

This meeting will be conducted through in person attendance or audio/visual communication. Remote access can be obtained through the following link:

Topic: Special Finance Meeting  
Time: Jul 19, 2022 05:00 PM Central Time (US and Canada)

Join Zoom Meeting  
<https://us06web.zoom.us/j/85877761312?pwd=VWlkcXhZZXF6amh3aDR4SCtVOXB6UT09>

Meeting ID: 858 7776 1312  
Passcode: 521494

Dial by your location  
+1 301 715 8592 US (Washington DC)  
+1 312 626 6799 US (Chicago)

Kindly arrange to be present, if unable to do so, please notify our office.  
Elizabeth Otto, County Clerk

**Please note: Meeting area is accessible to the physically disabled. Anyone planning to attend who needs visual or audio assistance, should contact the County Clerk's Office, 294-4005, not later than 3 days before date of the meeting.**

**RESOLUTION NUMBER 17-2022**

**FINAL RESOLUTION REGARDING UNCONDITIONAL COUNTY GUARANTY OF ITS  
PRO RATA SHARE, INTERGOVERNMENTAL AGREEMENT AND  
TAXABLE REVENUE BOND FINANCING  
FOR BUG TUSSEL 1, LLC PROJECT**

The County Board of Supervisors of Green Lake County, Green Lake, Wisconsin, duly assembled at its regular meeting on this 19th day of July 2022, does resolve as follows:

- 1 Fiscal note is not applicable.
- 2  $\frac{3}{4}$  Majority vote is needed to pass.

Roll Call on Resolution No. 17-2022

Submitted by Finance Committee

Ayes , Nays , Absent , Abstain

/s/ Harley Reabe

Harley Reabe, Chair

Passed and Adopted/Rejected this 19th  
day of July 2022.

Brian Floeter

County Board Chairman

Don Lenz

ATTEST: County Clerk  
Approve as to Form:

Luke Dretske

Corporation Counsel

Dennis Mulder

Section 1 Recitals.

1.01 Under Wisconsin Statutes, Section 66.1103, as amended (the "Act"), the Issuer (as hereinafter defined) is authorized and empowered to issue revenue bonds to finance eligible costs of qualified "projects" (as defined in the Act), and to enter into "revenue agreements" (as defined in the Act) with "eligible participants" (as defined in the Act).

1.02 Bug Tussel 1, LLC, a Wisconsin limited liability company (the "Borrower"), Hilbert Communications, LLC, a Wisconsin limited liability company (the "Company" and the "Guarantor") and/or one or more of its affiliates (including, without limitation, Bug Tussel Wireless, LLC and Cloud 1, LLC), whether existing on the date hereof or to be formed and whether owned directly or indirectly by the Company, desires to finance a project consisting of the acquisition, construction and installation of certain telecommunications infrastructure that includes, among other things (i) acquisition of tower sites by purchase or lease of land and equipping such sites with towers and electronics to provide broadband, high speed cellular, emergency communications and point to point (P2P) data communications; (ii) constructing fiberoptic data transmission facilities (cable and electronics) between towers, key community facilities, businesses and residential aggregation points; (iii) where appropriate, connecting individual premises into the broadband network including the cost of Consumer Premise Equipment (CPE); (iv) payment of capitalized interest; (v) funding of a debt service reserve fund; (vi) payment of such project costs located in the participating counties, which includes project costs in Green Lake County to be financed with Series 2022A Bonds in an amount not to exceed \$10,000,000; and (vii) payment of professional fees (collectively, the "Project"), all of which will be for the purpose of providing wireless internet and telephone communications services to businesses, governmental units and residents of rural communities where such service is currently unavailable or is prohibitively expensive.

1.03 The Project will be constructed and installed in one or more of the following Wisconsin counties yet to be determined, with each respective county that has agreed to participate in the issuance of the Series 2022A Bonds to be evidenced by such participating county entering into the Joinder Agreement (defined herein) in connection with the issuance of the Series 2022A Bonds (each a "2022A Participating County" and collectively, the "2022A Participating Counties"): (i) Clark County, (ii) Green Lake County, (iii) Iowa County, (iv) Jefferson County, (v) Oconto County, (vi) Rock County, (vii) Taylor County, and (viii) Wood County.

1.04 The Act authorizes the Issuer to make loans to an eligible participant, in connection with financing a qualified project.

1.05 Pursuant to initial resolutions duly adopted by the (i) Clark County Board on May 19, 2022, (ii) Green Lake County Board on June 21, 2022, (iii) Iowa County Board on March 15, 2022, (iv) Jefferson County Board on May 10, 2022, (v) Oconto County Board on May 19, 2022, (vi) Rock County Board on June 23, 2022, (vii) Taylor County

Board on March 4, 2022, and (viii) Wood County Board on May 17, 2022, the 2022A Participating Counties expressed their intention to enter into an Intergovernmental Agreement (the "Intergovernmental Agreement") originally by and among the Issuer, Calumet County, Jackson County, Marathon County, and Waushara County, each in Wisconsin (the "2021 Participating Counties"), and the 2022A Participating Counties, pursuant to which the Issuer would issue revenue bonds to be issued in one or more issues or series in an aggregate amount not to exceed \$240,000,000 to finance the Project. Notices of adoption of the initial resolutions adopted by the respective 2022A Participating Counties on March 4, 2022, March 15, 2022, May 10, 2022, May 17, 2022, May 19, 2022, June 21, 2022, and June 23, 2022 were published as provided in the Act, and no petition requesting a referendum upon the question of issuance of the revenue bonds has been filed in any 2022A Participating County as of the date of this resolution, and the closing of the Series 2022A Bonds shall not occur until the 30-day petition period following publication has expired in all 2022A Participating Counties.

1.06 The 2022A Participating Counties shall enter into the Intergovernmental Agreement by executing the Counterpart and Joinder to Intergovernmental Agreement (the "Joinder Agreement") to appoint Fond du Lac County as the issuer (the "Issuer") of the Series 2022A Bonds for the purpose of financing the Project on behalf of the Borrower, and as agent on behalf of the 2022A Participating Counties with respect to the Pledge of Membership Agreement, dated as of December 16, 2021, by and between Hilbert Communications, LLC, a Wisconsin limited liability company, and the Issuer for the benefit of the 2021 Participating Counties, the 2022A Participating Counties, and other counties as may be joined to the Intergovernmental Agreement after the date hereof.

1.07 The Borrower has requested that Green Lake County and each 2022A Participating County who will directly benefit from the Project provide an unconditional general obligation guaranty, to which the full faith and credit and taxing power of Green Lake County are pledged (the "County Guaranty") to enhance the collateral position of the Borrower in an amount equal to Green Lake County's or such 2022A Participating County's pro rata share of the principal of and interest on the Series 2022A Bonds in an amount necessary to replenish the debt service reserve fund, which for Green Lake County will be in an amount not to exceed \$10,000,000 (plus interest to accrue thereon annually at a rate not to exceed 7.50%), including any compound interest payable on amounts paid by the Insurer (as defined herein) for the Series 2022A Bonds.

1.08 The Guarantor will provide a guaranty (the "Hilbert Guaranty") to Green Lake County, and each 2022A Participating County, guaranteeing the full and prompt payment to Green Lake County, and each 2022A Participating County, of amounts due from the Borrower pursuant to, and the performance of all other obligations, covenants and agreements of the Borrower under the Reimbursement Agreements by and between the Borrower and each of the 2022A Participating Counties, the Intergovernmental Agreement, and the Mortgage or Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement referenced below.

84           1.09 The Borrower will have the primary obligation to make all scheduled principal  
85 and interest payments when due, and each 2022A Participating County's guaranty will apply  
86 only in the event that the Borrower does not pay such debt service as required and a draw  
87 is made on the debt service reserve fund for the Series 2022A Bonds (defined below)  
88 established under the Indenture.

89  
90           1.10 In return for each 2022A Participating County's Guaranty, each 2022A  
91 Participating County shall receive a guaranty fee as further described in Section 3.02, and  
92 the Borrower and the Guarantor will pay any and all costs of each 2022A Participating  
93 County and all expenses incurred by each 2022A Participating County related to the Series  
94 2022A Bonds.

95  
96           1.11 As further security for the County Guaranty, Green Lake County and each  
97 2022A Participating County shall receive a first fee or leasehold mortgage on all land,  
98 buildings, and improvements of the Borrower and a first security interest, subordinate only  
99 to the security interest of the State of Wisconsin, the Public Service Commission of  
100 Wisconsin, or similar agency, political subdivision, or instrumentality of the state (the  
101 "State") to the extent required by the State as a condition of grant funding provided for  
102 financed assets, in all fixtures and equipment of the Borrower located in the applicable  
103 county in which the Project financed with proceeds of the Series 2022A Bonds is  
104 constructed.

105  
106           1.12 The Project includes necessary infrastructure for essential services, including  
107 emergency response and public safety communications by and for Green Lake County and  
108 local units of government in Green Lake County and is in furtherance of the public purposes  
109 set forth in the Act, Wisconsin Statutes, Section 59.54, and promotes the economic  
110 development and well-being of Green Lake County.

111           1.13 Green Lake County's obligations under its County Guaranty are expected to  
112 be insured by Build America Mutual Assurance Company (the "Insurer") under its  
113 Municipal Bond Insurance Policy (the "Policy") containing provisions consistent with the  
114 provisions of this resolution and the documents listed in Section 1.14 and approved by  
115 the Issuer's counsel, bond counsel and the appropriate officer or officers of Green Lake  
116 County.

117           1.14 Drafts of the following documents have been submitted to this County  
118 Board and are ordered filed in the office of the County Clerk:

119           (a) a Preliminary Limited Offering Memorandum;

120           (b) a Bond Purchase Agreement by and among UBS Financial Services Inc., as  
121 underwriter (the "Underwriter"), and the Issuer, with the Letter of Representations from  
122 the Borrower and accepted and agreed to by the Issuer;

(c) a Supplemental Series Indenture No. 1 (Series 2022A Bonds) relating to the issuance of the Series 2022A Bonds and the Indenture of Trust dated as of December 1, 2021 (collectively, the "Indenture") by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee and successor to U.S. Bank National Association (the "Trustee");

(d) a Supplemental Series Loan Agreement No. 1 (Series 2022A Bonds) relating to the issuance of the Series 2022A Bonds and the Loan Agreement dated as of December 1, 2021 (collectively, the "Loan Agreement") by and between the Issuer and the Borrower;

(e) a Series 2022A Promissory Note from the Borrower to the Issuer, and assigned to the Trustee;

(f) a Reimbursement Agreement from the Borrower to Green Lake County;

(g) a Facilities Access Agreement from the Borrower to Green Lake County;

(h) a form of Mortgage or Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Financing Statement from the Borrower to Green Lake County;

(i) a Continuing Disclosure Agreement;

(j) a Guaranty Agreement (Hilbert Guaranty) from the Guarantor to Green Lake County;

(k) a Borrower's Closing Certificate;

(l) the Intergovernmental Agreement and Joinder Agreement to be signed by each 2022A Participating County; and

(m) the unconditional County Guaranty from Green Lake County.

## Section 2 Findings and Determinations.

It is hereby found and determined that:

(a) based on representations of the Borrower, the Project constitutes a "project" authorized by the Act;

(b) the purpose of the Issuer's financing costs of the Project is and the effect thereof will be to promote the public purposes set forth in the Act;

(c) the Project includes necessary infrastructure for essential services by and for Green Lake County and local units of government in Green Lake County and is in

furtherance of the public purposes set forth in the Act, Wisconsin Statutes, Section 59.54, and promotes the economic development and well-being of Green Lake County;

(d) it is desirable that a series of taxable revenue bonds in the aggregate principal amount not to exceed \$140,000,000 (the "Series 2022A Bonds") be issued by the Issuer upon the terms set forth in the Indenture and Loan Agreement, under the provisions of which the Issuer's interest in the Indenture and Loan Agreement (except for certain rights as provided therein) and the loan repayments will be assigned to the Trustee as security for the payment of principal of and interest on and premium, if any, on all the Series 2022A Bonds outstanding under the Indenture;

(e) the loan payments provided for in the Loan Agreement, and the formula set out for revising those payments under the Loan Agreement as required under the Act, are sufficient to produce income and revenue to provide for prompt payment of principal of and interest on and premium, if any, on Series 2022A Bonds issued under the Indenture when due; the amount necessary in each year to pay the principal of and interest on the Series 2022A Bonds is the sum of the principal and interest on the Series 2022A Bonds due in such year, whether on a stated payment date, a redemption date, or otherwise; the Loan Agreement provides that the Borrower shall provide for the maintenance of the Project in good repair, keeping it properly insured; and

(f) under the provisions of the Act, the Series 2022A Bonds shall be limited obligations of the Issuer and the Series 2022A Bonds do not constitute an indebtedness of the Issuer or the 2022A Participating Counties within the meaning of any state constitutional or statutory provision, and do not constitute nor give rise to a charge against the Issuer's or the 2022A Participating Counties' general credit or taxing powers or a pecuniary liability of the Issuer or the 2022A Participating Counties.

### Section 3 Approvals and Authorizations; Authentication of Transcript.

3.01 There is hereby approved the issuance by the Issuer of its Taxable Revenue Bonds, Series 2022A (Bug Tussel 1, LLC Project) (Social Bonds) (specifically, the Series 2022A Bonds) in an aggregate principal amount not to exceed \$140,000,000, for the purpose of financing the Project.

3.02 (a) In furtherance of the public purposes recited above, Green Lake County shall provide an unconditional County Guaranty to enhance the collateral position of the Borrower in an amount equal to Green Lake County's pro rata share of the principal of and interest on the Series 2022A Bonds in an amount necessary to replenish the debt service reserve fund in an amount not to exceed \$10,000,000 (plus interest to accrue thereon annually at a rate not to exceed 7.50%, including any compound interest payable on amounts paid by the Insurer (as defined herein) for the Series 2022A Bonds). In return for its County Guaranty, Green Lake County shall receive either (i) an annual guaranty fee equal to 40 basis points (0.40%) of the outstanding par amount of the Series 2022A Bonds covered by its County Guaranty, payable on a semi-annual basis on each May



1 and November 1, or (ii) a discounted upfront guaranty fee as agreed to by the Borrower and Green Lake County. Prior to issuance of the Series 2022A Bonds, each 2022A Participating County on behalf of which Series 2022A Bonds are being issued shall have each authorized the execution and delivery of its respective County Guaranty.

(b) There is hereby authorized the issuance by Green Lake County of general obligation promissory notes pursuant to Wisconsin Statutes, Section 67.12(12) to finance payment of the County Guaranty. The terms and provisions of any such notes shall be established pursuant to a subsequent resolution of this County Board.

3.03 Green Lake County hereby authorizes the execution and delivery of the Joinder Agreement to the Intergovernmental Agreement, the County Guaranty and the other documents listed in Section 1.14 above to which Green Lake County is a signatory.

3.04 Subject to the conditions set forth herein, the County Board Chairperson and the County Clerk are authorized and directed to execute and deliver the County Guaranty, the Intergovernmental Agreement and the other documents listed in Section 1.14 above to which Green Lake County is a signatory. In addition, Green Lake County hereby authorizes the execution and delivery of a commitment with the Insurer consistent with the provisions of this resolution and the documents listed in Section 1.14 above as well as any other agreements, certificates or documents necessary to obtain the Policy.

3.05 The County Board Chairperson and the County Clerk and other officers of Green Lake County are authorized to prepare and furnish to the Trustee and bond counsel certified copies of all proceedings and records of the Green Lake County of relating to the Series 2022A Bonds, and such other affidavits and certificates as may be required by the Trustee and bond counsel.

3.06 The approval hereby given to the various documents referred to in this Resolution includes the approval of such additional details therein and additional documents or agreements all as may be necessary and appropriate for their completion and such modifications thereto, deletions therefrom and additions thereto as may be approved by the Green Lake County counsel and bond counsel. The execution of any document by the appropriate officer or officers of Green Lake County herein authorized shall be conclusive evidence of the approval by Green Lake County of such document in accordance with the terms hereof.

I, the undersigned, the duly appointed and qualified Clerk of Green Lake County, Wisconsin do hereby certify that the foregoing resolution was duly adopted by the County Board of Supervisors at a meeting of said County held in open session in accordance with the requirements of Subchapter V of Chapter 19 of the Wisconsin Statutes on July 19, 2022.

GREEN LAKE COUNTY, WISCONSIN

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Elizabeth A. Otto  
County Clerk

In our role as special counsel to Green Lake County and consistent with our engagement letter dated May 11, 2022, we have reviewed the bond documents prepared by Bug Tussel's financing team. In case it is helpful, set forth below is a very general, very high-level summary of the major bond documents.

- 1) *Final Resolution*- The Resolution approves the financing and the substantial form of certain of the related documents (those documents can be found in Section 1.14 of the Resolution and some are further described in this email). Specifically, the Resolution authorizes Fond du Lac County to issue not to exceed \$140,000,000 of Taxable Revenue Bonds on behalf of Bug Tussel 1 LLC (the "Bonds"). In addition, the Resolution provides that Green Lake County (the "County") will guarantee the \$10,000,000 portion of the Bonds which finances projects within the County (the "County Guaranty"). The amount of such County Guaranty is capped at \$10,000,000, plus interest to accrue thereon annually at a rate not to exceed 7.50% (including any compound interest payable on any amounts paid by the bond insurer). Because the County Guaranty will constitute contingent general obligation debt of the County, the County will need to reserve debt capacity in that amount, the Resolution provides authorization for the issuance of General Obligation Promissory Notes to fund payments under the County Guaranty, and approval requires a vote of  $\frac{3}{4}$  of the members-elect of the Board.
- 2) *Preliminary Limited Offering Memorandum* – This document describes the Bonds and security provisions related thereto. It will be used to market the Bonds to potential investors. As a guarantor county, the County will be assuming responsibility for the accuracy of certain limited portions of the document (those portions which describe the County and its financial statements) and therefore should review those portions carefully to make sure they are complete and accurate.
- 3) *Bond Purchase Agreement* - This agreement is between Fond du Lac County and UBS Financial Services and provides for the sale of the Bonds to UBS Financial Services, as the underwriter who will market the Bonds to the public.
- 4) *Supplemental Series Indenture No. 1* – This governing bond document supplements the original 2021 Indenture to provide for the issuance of the Bonds and will be entered into by Fond du Lac County and the Trustee. The Indenture provides the basic structure and framework for the Bonds, provides for the issuance of the Bonds by Fond du Lac County, and obligates Fond du Lac County to use any Loan Agreement payments received from Bug Tussel 1 (see 5 below) to make debt service payments on the Bonds. It provides that the Bonds are not a general or full faith and credit obligation of Fond du Lac County, but rather are payable solely from revenues received under the Loan Agreement.
- 5) *Supplemental Series Loan Agreement No. 1* – This agreement will be entered into between Fond du Lac County and Bug Tussel 1 to supplement the original 2021 Loan Agreement entered into for the 2021 Bonds. Under the Loan Agreement, Fond du Lac County agrees to loan the proceeds of the Bonds to Bug Tussel 1 and in return Bug Tussel 1 agrees to make payments to Fond du Lac County in an amount sufficient to provide for payment on the Bonds. The Loan Agreement provides that Bug Tussel 1 is obligated to indemnify Green Lake County in connection with any claims arising out of the Bond issuance, and pay all the County's costs in connection with issuance and administration of the Bonds, including legal fees. The Loan Agreement also provides for Bug Tussel 1 to pay Fond du Lac County an annual issuer's fee of .10% of Bonds outstanding. The Loan Agreement further provides the form of disbursement request for Bug Tussel 1 to request Bond proceeds from the Trustee, which will require the submission of invoices and lien waivers in connection with the release of proceeds.

- 6) Reimbursement Agreement – This agreement (between the County and Bug Tussel 1) provides that Bug Tussel 1 will be responsible for reimbursing the County for any payments the County makes under the County Guaranty. In addition, it provides that Bug Tussel 1 will pay the County a 0.40 basis point fee (of the outstanding Bonds guaranteed by the County) annually in exchange for the County Guaranty. I would note that Bug Tussel 1 is a special purpose entity created for this financing, and per my understanding, will not have any assets other than those provided by this financing. We have not done an analysis as to the assets or financial strength of Bug Tussel 1 or its parent or related entities.
- 7) Facilities Access Agreements (Fiber and Tower) - These agreements provide the County with access, free of charge, to certain of the Bond financed towers and fiber. Prior to final execution, I would appreciate your review of this document to ensure that it contains what the County envisioned. Other counties have negotiated significant additional provisions to this Agreement, which Bug Tussel 1 has largely agreed to in concept, and therefore there may be significant flexibility to accommodate particular local County conditions or concerns.
- 8) Leasehold Mortgage – This agreement will be required for disbursement of proceeds for Bond projects on tower sites or other Bug Tussel real estate, to provide the County with a first lien mortgage (subordinate only to the State to the extent required by the State in connection with any grants provided for financed assets) against tower sites or other real estate owned or leased by Bug Tussel 1 within the County which are constructed with proceeds of the Bonds. In the event that the County is required to pay on its guaranty, this mortgage serves as collateral and allows the County to foreclose on those assets. Separate from the mortgage, a UCC financing statement will be required for disbursement of proceeds for Bond projects on public property, to provide the County a first security interest (subordinate only to the State to the extent required by the State in connection with any grants provided for financed assets) in any fiber/cables, etc. financed with Bond proceeds within the County that are not associated with tower sites or other real estate owned by Bug Tussel 1 (for example, in the public rights of way). We have not done an analysis of the utility or functionality of these assets upon any foreclosure by the County.
- 9) Continuing Disclosure Agreement – This agreement will be entered into between the County and the Trustee and will require the County to provide the Trustee with its audited financial statements on an annual basis and to provide notice of other material events. The Trustee will then file such audited financials and event notices to the EMMA website as part of the County's continuing disclosure obligations.
- 10) Guaranty Agreement of Hilbert Communications – Under this agreement, Hilbert Communications LLC, the parent of Bug Tussel 1, guarantees the obligations of Bug Tussel 1 to reimburse the County for draws on the County's Guaranty and to pay the 0.40 basis point guarantee fee. As stated above, we have not done an analysis as to the assets, financial strength, or capital available to Hilbert Communications LLC.
- 11) Joinder Agreement to Intergovernmental Agreement – This Agreement will be executed by all of the participating counties and it authorizes Fond du Lac County to act as the issuer of the Bonds. Among other things, it provides for how decisions are made upon disagreement of the participating counties (by weighted majority vote, based on the amount of outstanding bonds guaranteed by each county). This concept also applies to the directions given to Fond du Lac County, as agent for all the participating counties, under the Pledge of Membership Interest Agreement, which provides the counties the option of assuming control of Bug Tussel 1 in the event that the county guaranties are drawn on and the counties are not reimbursed. The Intergovernmental Agreement also requires Bug Tussel 1 to provide the participating counties with annual (or more frequent, upon request) reports as to the status of the project.

- 12) Guaranty Agreement of Green Lake County – This Guaranty Agreement will be entered into by the County and provides the County's guaranty of debt service of its proportional share of the Bonds. If Bug Tussel 1 fails to make a debt service payment, the Trustee will draw on the 2022 Bond reserve account (which will be funded from Bond proceeds at closing) to make the payment, and will notify the County. The County will then have 150 days to replenish its proportionate share of the Bond reserve account. This series of events could occur multiple times, subject to the limitation that on an aggregate basis the County's Guaranty is limited to an amount of \$10,000,000, plus interest to accrue thereon at a rate not to exceed 7.50% (including any compound interest charged by the bond insurer). As described above, the County Guaranty is a contingent general obligation debt of the County, and the County will be obligated to make the guarantee payments regardless of the performance by Bug Tussel 1 of any of its obligations under any of the documents. The County's remedy in the instance of Bug Tussel 1 failure will be limited to exercising its rights under the Reimbursement Agreement, any Mortgage, UCC security agreement, and the Hilbert Guaranty described above.

As discussed above, this is only a very brief, high-level, summary of the documents, which contain many other provisions. I look forward to any comments you or others at the County may have on these documents, and would be happy to convey those to the Bug Tussel financing team.

In summary, our conclusion is that, if the County Board as a business and policy matter, determines to participate in the financing and provide the \$10 million guaranty with the structure and security and subject to the risks as described above and in the documents, then the documents are in appropriate legal form for consideration by the County Board.

Thanks, and please don't hesitate to contact me if you have any questions or would like to discuss in more detail.

Rebecca



**Rebecca Speckhard** / Partner

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