

Dated as of [April 1], 2018

PLEDGE AND SECURITY AGREEMENT

Relating To:

FOX CITIES EXHIBITION CENTER

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT, dated as of [April 1], 2018 (this “**Agreement**”), is made and entered into by and among the CITY OF APPLETON, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Appleton**”), the CITY OF KAUKAUNA, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Kaukauna**”), the CITY OF NEENAH, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**City of Neenah**”), the VILLAGE OF KIMBERLY, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Kimberly**”), the VILLAGE OF LITTLE CHUTE, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Little Chute**”), the TOWN OF GRAND CHUTE, WISCONSIN, a Wisconsin political subdivision (“**Grand Chute**”), the TOWN OF NEENAH, WISCONSIN, a Wisconsin political subdivision (“**Town of Neenah**”), the VILLAGE OF FOX CROSSING, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Fox Crossing**”), the CITY OF MENASHA, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Menasha**”), and the VILLAGE OF SHERWOOD, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“**Sherwood**”), collectively with Appleton, Kaukauna, City of Neenah, Kimberly, Little Chute, Grand Chute, Town of Neenah, Fox Crossing, Menasha, and Sherwood (the “**Municipalities**”), the FOX CITIES AREA ROOM TAX COMMISSION, a Wisconsin intergovernmental commission (the “**Room Tax Commission**”), and ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION, a national bank organized under the laws of the United States of America, as trustee under the Bond Indenture (as defined herein) (together with its successors in such capacity, the “**Trustee**”).

RECITALS:

WHEREAS, pursuant to Section 66.0615 of the Wisconsin Statutes, as amended (the “**Room Tax Act**”), each of the Municipalities has imposed a room tax at a percentage rate of 3% (the “**Exhibition Center Room Tax**”), which the Municipalities have agreed to cause to be collected by the hotelkeepers, motel operators, and other persons furnishing accommodations that are available to the public and obligated to collect the Exhibition Center Room Tax (the “**Operators**”); and

WHEREAS, the Municipalities, the Room Tax Commission, and the Redevelopment Authority of the City of Appleton, Wisconsin (the “**Authority**”), are parties to an Amended and Restated Cooperation Agreement for the Fox Cities Exhibition Center, dated as of [April 1], 2018 (the “**Cooperation Agreement**”); and

WHEREAS, under the terms of the Cooperation Agreement:

- (a) Appleton will convey to the Authority the Fox Cities Exhibition Center, a convention center (the “**Exhibition Center**”) as referenced in the Room Tax Act; and
- (b) to assist in the financing of the Exhibition Center, the Authority will issue its Taxable Lease Revenue Bonds, Series 2018 (Fox Cities Exhibition Center Project) (the “**Series 2018 Bonds**”) the proceeds of which will be

made available to pay, or reimburse Appleton for, the construction costs of the Exhibition Center; and

- (c) the Municipalities and the Room Tax Commission have agreed to the use of the Exhibition Center Room Taxes for the purposes of paying, either directly or indirectly, the costs of the construction of the Exhibition Center, debt service on the Series 2018 Bonds and any additional bonds issued by the Authority for the purpose of refinancing or refunding the Series 2018 Bonds, directly or indirectly through a series of refinancings or refundings (collectively, the “**Bonds**”), and such other reasonable or customary payments or deposits related to the Bonds as may be provided in the Bond Indenture, such as, but not limited to, costs of issuance and administration of the Bonds, reserve or stabilization funds, capitalized interest payments, if any, and reimbursement of payments made by Appleton or a provider of credit enhancement for the Bonds, all subject to any restrictions related thereto in the Room Tax Act (collectively, the “**Purposes of the Exhibition Center Room Taxes**”); and
- (d) the Municipalities and the Room Tax Commission agree to pledge the Exhibition Center Room Taxes to the Trustee for the Purposes of the Exhibition Center Room Taxes; and
- (e) all parties to the Cooperation Agreement found, and reaffirm herein, that the Exhibition Center constitutes a “convention center” and is, and will be, crucial to “tourism promotion and tourism development” within the meaning of the Room Tax Act, and the achievement of a sound and coordinated development and redevelopment of the territory described as the “Tourism Zone” in the Cooperation Agreement and for the promotion and development of tourism activities within the Tourism Zone; and

WHEREAS, the terms and conditions of this Agreement are in compliance with the Room Tax Act; and

WHEREAS, the execution and delivery of this Agreement have been in all respects duly and validly authorized by resolutions of the governing bodies of the Municipalities and the Room Tax Commission; and

WHEREAS, all procedures necessary to constitute this Agreement as a valid pledge and assignment of the Exhibition Center Room Taxes have been done and performed;

NOW, THEREFORE, THE PARTIES TO THIS AGREEMENT AGREE AS FOLLOWS:

ARTICLE I

PLEDGE AND ASSIGNMENT OF PLEDGED ROOM TAXES TO THE TRUSTEE

The Municipalities and the Room Tax Commission do hereby pledge, sell, assign, transfer, and set over unto the Trustee, all their respective right, title, and interest in and to all Exhibition Center Room Taxes, subject to any limitations imposed thereon by the Room Tax Act, for the Purposes of the Exhibition Center Room Taxes. The Exhibition Center Room Taxes shall not be used for any purpose other than the Purposes of the Exhibition Center Room Taxes set forth in the recitals of this Agreement. The pledge and assignment hereunder shall remain in full force and effect until the full discharge of the Indenture of Trust, dated as of [April 1], 2018, from the Authority to the Trustee (the “**Bond Indenture**”), pursuant to which the Series 2018 Bonds are being issued and pursuant to which additional Bonds may be issued to refinance or refund (i) the Series 2018 Bonds or (ii) any other Bonds.

ARTICLE II

DEPOSIT OF EXHIBITION CENTER ROOM TAXES WITH TRUSTEE

Section 2.01 Deposit of Room Taxes.

The Municipalities, the Room Tax Commission, and the Trustee hereby agree and direct that, in order to effect the pledges of the Exhibition Center Room Taxes hereunder, all Exhibition Center Room Taxes imposed by the Municipalities shall be deposited directly with the Trustee by the Operators, and shall be applied to the Purposes of the Exhibition Center Room Taxes as specified in the Bond Indenture.

The deposit of Exhibition Center Room Taxes with the Trustee shall be in accordance with the following procedure:

(a) Notice to Operators. No later than the 10th day of the month following the end of each calendar quarter, the Trustee shall send a notice in substantially the form attached hereto as Exhibit A (or with such changes as may be necessary or appropriate to reflect changes in room taxes other than the Exhibition Center Room Tax) (a “**Room Tax Deposit Notice**”) to each Operator to be completed and delivered to the Trustee together with the deposit of the Exhibition Center Room Taxes it has collected during the preceding calendar quarter as described in (b) below.

(b) Room Tax Due Dates. Each Operator shall be directed to deposit with the Trustee, no later than January 31, April 30, July 31, and October 31 of each year, together with a completed Room Tax Deposit Notice as described in (a) above, the Exhibition Center Room Taxes it has collected during the preceding calendar quarter. The Trustee shall accept the Exhibition Center Room Taxes for deposit in accordance with the terms of this Agreement and of the Bond Indenture.

(c) Application of Pledged Room Tax Deposits. The Trustee shall, upon receipt of deposits of the Exhibition Center Room Taxes, allocate such deposits to the Revenue Fund created under the Bond Indenture for the Purposes of the Exhibition Center Room Taxes.

Section 2.02 Trustee Reports.

The Trustee shall (i) not later than the 15th day of each month, send a report as of the last day of the prior month to the Room Tax Commission and to each Municipality, that includes a list of the then current Operators that submit Exhibition Center Room Taxes, and the amount of Exhibition Center Room Taxes received from each Operator, and identifies the Operators that have not paid Exhibition Center Room Taxes then due under Section 2.01(b) (the “**Monthly Report**”), (ii) not later than the 15th day of the month following the end of each calendar quarter, send a statement of transactions to each Municipality and the Room Tax Commission that includes all financial transactions relating to the Municipality as of the end of the calendar quarter (the “**Quarterly Statement**”), and (iii) not later than the 15th day of the month following each due date of the Exhibition Center Room Taxes described in Section 2.01(b) hereof, send a list to the Room Tax Commission, with a copy to the related Municipality, of the Operators in each Municipality that have not paid Exhibition Center Room Taxes as of such due date (the “**Delinquency Report**”).

Section 2.03 Collection of Room Taxes; Late Payments.

(a) Each of the Municipalities agrees to direct all Operators within its jurisdiction to deposit all Exhibition Center Room Taxes with the Trustee pursuant to the terms of this Agreement and the instructions of the Trustee. Each Municipality agrees to forward to the Trustee, immediately upon receipt, any payments of Exhibition Center Room Taxes made by an Operator directly to such Municipality, and the Room Tax Commission agrees to forward to the Trustee, immediately upon receipt, any payments of Exhibition Center Room Taxes made by a Municipality or an Operator directly to the Room Tax Commission or the Fox Cities Convention & Visitors Bureau, Inc. (“**CVB**”) on behalf of the Room Tax Commission. The Municipality may request from the Trustee the form of Room Tax Deposit Notice as described in Section 2.01(a) hereof to accompany such payments.

(b) If an Operator has not paid Exhibition Center Room Taxes for a period of one calendar quarter or is in arrears by one calendar quarter or more, then an authorized officer of the related Municipality shall, within 30 days after the receipt of the first Monthly Report after a Delinquency Report has been received from the Trustee, commence collection and enforcement action against such Operator; *provided* that said Monthly Report shows Exhibition Center Room Taxes remain unpaid by such Operator.

(c) Each of the Municipalities agrees to commence such collection and enforcement action as described in (b) above and to take all reasonable action to diligently pursue such action and to collect the Exhibition Center Room Taxes

with any applicable/corresponding forfeiture or interest charge for late payment. Each Municipality agrees to send a written notice to the Room Tax Commission, within 10 days after receipt of a Monthly Report as described in (b) above, describing the status of such action and collection until the Exhibition Center Room Taxes have been collected from the Operator. Upon such collection, the Municipalities shall, within 20 business days, deposit with the Trustee the collected Exhibition Center Room Taxes, subject to the deficient payments allocation described in (e) below, and any applicable/corresponding forfeiture or interest charge; which shall be treated as part of the Exhibition Center Room Taxes. All costs of collection and enforcement actions relating to any such Exhibition Center Room Taxes shall (except to the extent they may be recovered from Operators) be the sole responsibility of the related Municipality.

(d) Notwithstanding (b) and (c) above, the Trustee shall have the right, with the consent of the Room Tax Commission, to demand that any such Exhibition Center Room Taxes paid by the Operators but not deposited with the Trustee be immediately deposited with the Trustee in accordance with this Article II .

(e) Pursuant to the Amended and Restated Room Tax Commission and Tourism Zone Agreement, dated as of November 24, 2015, as amended by a First Amendment to Amended and Restated Room Tax Commission and Tourism Zone Agreement, dated as of [April 1], 2018 (the “**Commission Agreement**”) and the ordinances adopted by the Municipalities imposing a 10% room tax (the “**Room Taxes**”), which includes the Exhibition Center Room Tax, provision was made for delinquent Room Taxes received from the Operators to be allocated in a specific order to the purposes for which the Room Taxes were imposed. Upon receipt of notice from a Municipality, the Room Tax Commission, or the CVB with respect to such allocation of delinquent Room Taxes, the Trustee agrees that it shall cooperate with said parties in the application of delinquent Exhibition Center Room Taxes that it has received to the allocation to the purposes entitled to a payment priority over the Exhibition Center Room Taxes.

Section 2.04 Failure of Operator Not a Default of Municipality.

A failure of an Operator to timely pay Exhibition Center Room Taxes shall not constitute a default of a Municipality hereunder provided that the Municipality, in accordance with Section 2.03 above, promptly undertakes and pursues all reasonable collection actions until such delinquent Exhibition Center Room Taxes are collected and deposited with the Trustee.

Section 2.05 Statutory Obligations of Room Tax Commission.

The Room Tax Commission has determined, and the Municipalities agree, that the actions of the Trustee under this Agreement fulfill the statutory obligations of the Room Tax Commission (i) to monitor the collection of room taxes from each Municipality and (ii) to report any delinquencies or inaccurate reporting to the Municipality that is due the tax, as such obligations relate to the Exhibition Center Room Tax.

ARTICLE III

REPRESENTATIONS, WARRANTIES, AND COVENANTS

Each of the Municipalities and the Room Tax Commission hereby represents and warrants to the Trustee that it has good right and authority to enter into this Agreement; that as of the date of this Agreement it has not alienated, assigned, pledged, or otherwise disposed of or encumbered any of the Exhibition Center Room Taxes, and that it has not performed any acts or executed any other instruments which might prevent the Trustee from receiving any Exhibition Center Room Taxes under any of the terms and conditions of this Agreement or which would limit the Trustee in such receipt.

Each of the Municipalities and the Room Tax Commission hereby covenants and agrees:

- (a) to observe, perform, and discharge, duly and punctually, all and singular, the obligations, terms, covenants, conditions, and warranties of this Agreement on its part to be kept, observed, and performed;
- (b) that it will, upon the request of the Trustee, execute and deliver to the Trustee such further instruments and do and perform such other acts and procedures as the Trustee may deem necessary or appropriate to make effective this Agreement and its various covenants herein contained and to more effectively vest in and secure to the Trustee the Exhibition Center Room Taxes, including without limitation, the execution of such additional assignments as shall be deemed necessary by the Trustee to effectively vest in and secure the Exhibition Center Room Taxes;
- (c) that it will take any and all action reasonably necessary to enforce its room tax levies and collect all room taxes from the Operators within its jurisdiction. Such actions shall include, if necessary, commencing suit or other action to recover delinquent room taxes; and
- (d) that it will not repeal any or all of the Exhibition Center Room Tax or amend the Commission Agreement in any manner that affects the Trustee's right to receive the Exhibition Center Room Tax.

ARTICLE IV

MISCELLANEOUS

Section 4.01 Counterparts.

This Agreement may be executed, acknowledged, and delivered in any number of counterparts, each of which shall constitute an original, but all together only one, instrument. The laws of the State of Wisconsin shall govern this Agreement.

Section 4.02 Severability.

If any term, covenant, or condition of this Agreement, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement and the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law. In the event of any ambiguity in any terms or provisions of this Agreement, such ambiguity shall be construed in favor of the Trustee, notwithstanding any rules of construction to the contrary.

Nothing contained in this Agreement, the Cooperation Agreement, or the Bond Indenture shall in any manner be construed as making the parties hereto and thereto or their assignees partners.

Section 4.03 Additional Parties to this Agreement.

Any municipal government that hereafter becomes an additional member of the Room Tax Commission (an “**Additional Municipality**”) pursuant to the Commission Agreement shall, as a condition of such membership under the Commission Agreement, become an additional party to this Agreement. Each Additional Municipality shall be bound to the terms, conditions, and obligations of the Municipalities under this Agreement by execution and delivery to the Trustee of a joinder agreement in substantially the form attached hereto as Exhibit B, and a copy of the executed joinder agreement shall be delivered by the Trustee to the other then-current parties to this Agreement. Acceptance by the Trustee of such joinder agreement shall, without further action or approval of the parties to this Agreement, be deemed an approval of such Additional Municipality as an additional party to this Agreement by the then-current parties to this Agreement.

Section 4.04 Amendments to this Agreement.

This Agreement may be amended from time to time by a written instrument for any purpose not inconsistent with the terms of the Bond Indenture or to cure any ambiguity or to correct or supplement any provision contained in this Agreement which may be defective or inconsistent with any other provision contained in this Agreement or to make such other provisions as shall not be inconsistent with the provisions of the Bond Indenture and shall not, in the judgment of the Trustee, adversely affect the interests of the owners of the Bonds.

Section 4.05 Termination.

This Agreement shall terminate upon the discharge and termination of the Bond Indenture. The Trustee shall notify the Room Tax Commission and each Municipality of such termination and discharge.

Section 4.06 Notices.

Any notice, request, report, statement, or other communication to be given pursuant to this Agreement, shall be sufficiently given, and shall be deemed given, when hand delivered or sent by first class mail, email, or overnight delivery service as follows:

If to the Room Tax Commission at:

Fox Cities Area Room Tax Commission
Attention: Chairperson
c/o Fox Cities Convention & Visitors Bureau
3433 West College Avenue
Appleton, Wisconsin 54914
Phone: (800) 236-6673
Email: bruce.sherman@grandchute.net

If to the Trustee at:

Associated Trust Company, National Association
Attention: Corporate Trust Department
200 North Adams Street
Green Bay, Wisconsin 54301
Phone: (920) 433-3275
Email: eric.wied@associatedbank.com

If to a Municipality, at the address indicated beneath the signature to this Agreement of such Municipality.

Any party may, by written notice to the other parties, designate a change of address for the purposes aforesaid.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Pledge and Security Agreement to be duly executed and delivered as of the date first written above.

FOX CITIES AREA ROOM TAX COMMISSION

By: _____
Its Chairperson

And: _____
Its Secretary

ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION, as trustee

By: _____
Its _____

And: _____
Its _____

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

CITY OF APPLETON, WISCONSIN

By: _____
Its: Mayor

And: _____
Its: Clerk

ADDRESS:

City of Appleton
Attention: Director of Finance
100 North Appleton Street
Appleton, Wisconsin 54911

Email: tony.saucerman@appleton.org

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

CITY OF KAUKAUNA, WISCONSIN

By: _____
Its: Mayor

And: _____
Its: Clerk

ADDRESS:

City of Kaukauna
Attention: Clerk-Treasurer
201 West Second Street
Kaukauna, Wisconsin 54130

Email: clerk-treasurer@kaukauna.org

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

CITY OF NEENAH, WISCONSIN

By: _____
Its: Mayor

And: _____
Its: Clerk

ADDRESS:

City of Neenah
Attention: Finance Director
211 Walnut Street
Neenah, Wisconsin 54956

Email: measker@ci.neenah.wi.us

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

VILLAGE OF KIMBERLY, WISCONSIN

By: _____
Its: President

And: _____
Its: Clerk

ADDRESS:

Village of Kimberly
Attention: Village Administrator
515 West Kimberly Avenue
Kimberly, Wisconsin 54136

Email: dblock@vokimberly.org

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

VILLAGE OF LITTLE CHUTE, WISCONSIN

By: _____
Its: President

And: _____
Its: Clerk

ADDRESS:

Village of Little Chute
Attention: Village Administrator
108 West Main Street
Little Chute, Wisconsin 54140

Email: jfenlon@littlechutewi.org

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

TOWN OF GRAND CHUTE, WISCONSIN

By: _____
Its: Chairperson

And: _____
Its: Clerk

ADDRESS:

Town of Grand Chute
Attention: Town Administrator
1900 West Grand Chute Boulevard
Grand Chute, Wisconsin 54913

Email: jim.march@grandchute.net

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

TOWN OF NEENAH, WISCONSIN

By: _____
Its: Chairperson

And: _____
Its: Clerk

ADDRESS:

Town of Neenah
Attention: Clerk-Treasurer
1600 Breezewood Lane
Neenah, Wisconsin 54956

Email: ellen@townofneenah.com

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

VILLAGE OF FOX CROSSING, WISCONSIN

By: _____
Its: President

And: _____
Its: Clerk

ADDRESS:

Village of Fox Crossing
Attention: Village Administrator
2000 Municipal Drive
Neenah, Wisconsin 54956

Email: jsturgell@foxcrossingwi.gov

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

CITY OF MENASHA, WISCONSIN

By: _____
Its: Mayor

And: _____
Its: Clerk

ADDRESS:

City of Menasha
Attention: Director of Administrative Services/Comptroller/Treasurer
140 Main Street
Menasha, Wisconsin 54952

Email: jjacobs@ci.menasha.wi.us

IN WITNESS WHEREOF, the parties have executed this Pledge and Security Agreement as of the date first written above.

VILLAGE OF SHERWOOD, WISCONSIN

By: _____
Its: President

And: _____
Its: Clerk

ADDRESS:

Village of Sherwood
Attention: Village Administrator
W482 Clifton Road
Sherwood, Wisconsin 54169

Email: administrator.sherwood@newbc.rr.com

EXHIBIT A

ROOM TAX DEPOSIT NOTICE

FOR THE CALENDAR QUARTER ENDING _____, 20____

Date: _____, 20____

Associated Trust Company, National Association
Attention: Corporate Trust Operations
2985 South Ridge Road, Suite C
Green Bay, Wisconsin 54304

[[Enclosed are]] the Exhibition Center Room Taxes from
_____ for the above referenced calendar quarter.

Total 10% Room Tax Receipts For Quarter: \$ _____

Distribution of 10% Room Tax:

3% Room Tax (Exhibition Center Room Tax) — Amount	\$ _____
[Enclosed]	
Balance Paid Directly to Municipality	\$ _____

If you have any questions, please feel free to contact me at _____.

Sincerely,

[Name of Hotel/Motel or other lodging facility]

EXHIBIT B

JOINDER AGREEMENT TO

PLEDGE AND SECURITY AGREEMENT

The undersigned municipality hereby agrees that it shall be an Additional Municipality as defined in the Pledge and Security Agreement, dated as of [April 1], 2018 (the “**Agreement**”),, among the Fox Cities Area Room Tax Commission, the municipal members of such commission and Associated Trust Company, National Association, as trustee, and hereby agrees to be bound by the terms, conditions, and obligations of the Municipalities under the Agreement, as amended from time to time. On and after the date of this Joinder Agreement, the undersigned shall be deemed a Municipality under the Agreement.

IN WITNESS WHEREOF, the undersigned Municipality has duly executed this Joinder Agreement effective as of _____, 20____.

_____ OF _____, WISCONSIN

By: _____
Its: _____

And: _____
Its: _____

ADDRESS:

_____ of _____
Attention: _____

_____, Wisconsin _____

Email: _____

Accepted on behalf of itself, the Room Tax Commission, and the Municipalities:

ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION, as trustee

By _____

Its: _____