MEMORANDUM

Date: November 12, 2015

To: Common Council

From: Pamela A. Captain, City Attorney

RE: Room Tax

1st ITEM: Summary of major terms of the **AMENDED AND RESTATED ROOM TAX COMMISSION AND TOURISM ZONE AGREEMENT.**

1. Applies to 10 municipal entities within the Fox Valley, including the City of Menasha.
2. Confirms the Fox Cities Tourism Zone that was identified in the first agreement set up for the Fox Cities Performing Arts Center (PAC).
3. Identifies the purpose to collect additional room taxes to help fund the construction of the Fox Cities Exhibition Center as well as to develop and support amateur sports facilities or other facilities reasonably likely to generate paid overnight stays within the tourism zone.
4. Provides that Fox Cities Room Tax Commission will continue to exist as long as the PAC bonds and Exhibition Center bonds are outstanding. The City of Menasha will have one member representative on the commission (due to annual tax collections <$300,000). Currently, our tax collection is minimal at approximately $3,000 per year.
5. All municipalities that are party to this agreement will levy the same percentage of Room Tax.
6. Confirms the appointment of the Fox Cities Convention and Visitors Bureau as the "tourism entity" as defined by statute for purposes of providing staff and assistance.
7. Describes the required use of funds.
8. Anticipates that other municipalities may be added in the future.

2nd ITEM: Summary of major terms of the **EXHIBITION CENTER COOPERATION AGREEMENT.**

1. Applies to the same 10 municipal entities that signed onto the Amended and Restated Room Tax Commission and Tourism Zone Agreement.

2. Purpose of agreement is to identify the Exhibition Center Project and describe the nature of the municipalities' participation in it as well as setting uniform room tax rate.
3. Bonds for the Exhibition Center Project will be issued by the Appleton Redevelopment Authority (ARA). Payment on the bonds will come solely from pledged room tax revenues. The debt is specifically described as NOT being a charge against the general credit or taxing powers of the ARA or the municipalities that are parties to the agreement except for the room tax pledge.
4. All necessary documents must be executed and enactments must be made to effectuate the agreement and the issuance of bonds, including a Pledge and Security Agreement.
5. Required room tax rate is **10%** as follows:
   a. 3% for Exhibition Center Bonds.
   b. 3% for Fox Cities Convention and Visitors Bureau.
   c. 2% for PAC Bonds until full satisfaction, then monies to be used toward the development and support of amateur sports facilities and/or other facilities reasonably likely to generate paid overnight stays.
   d. 1% for development and support of amateur sports facilities and/or other facilities reasonably likely to generate paid overnight stays (once PAC bonds are paid, then add that 2% for a total of 3%).
   e. 1% for the City of Menasha to retain for tourism support and development.
6. City of Appleton will acquire the property necessary for the Exhibition Center, perform site clearance, utility work, any necessary environmental remediation, complete public infrastructure improvements estimated to cost approximately $3.8 million of which $2.2 million is attributable to site acquisition and $1.6 million to infrastructure improvements then expected to transfer ownership to the ARA.
7. City of Appleton to construct the Exhibition Center with total costs not to exceed $29 million estimate unless prior written consent of Advisory Committee consisting of 16 members including one member from each municipality, including the City of Menasha.
8. City of Appleton will provide administrative support to the ARA.
9. City of Appleton will enter into management agreement with Appleton Holdings, LLC (owner of Paper Valley Hotel) to operate and manage the Exhibition Center.
10. The ARA will issue and sell the bonds necessary for the Exhibition Center Project.

3rd ITEM: ORDINANCE IMPOSING A HOTEL/MOTEL TAX. This is meant to replace the current ordinance effective 1/1/2016.

SUMMARY PAGE TO THE

EXHIBITION CENTER COOPERATION AGREEMENT

Who: All municipalities in the tax zone that impose the hotel room tax are parties to the Cooperation Agreement.

What: The Cooperation Agreement identifies the terms under which the municipalities will impose, allocate and administer the hotel room tax.

Where: The tax zone is the geographic area of all the participating municipalities.

When: The changes to the tax will be effective January 1, 2016.

Why: The room tax is being enacted to support tourism generally and specifically to allow for the development and support of amateur athletic facilities and development of the Fox Cities Exhibition Center.

Allocation of Room Tax	Before the PAC is paid off	After the PAC is paid off
CVB Room Tax	3%	3%
PAC Room Tax	2%	-0-
Exhibition Center Room Tax	3%	3%
Municipality Room Tax	1%	1%
Tourism Facility Room Tax	1%	3%
Total	10%	10%

EXHIBITION CENTER
COOPERATION AGREEMENT

THIS EXHIBITION CENTER COOPERATION AGREEMENT (this "Agreement"), is made as of this ____ day of _____, 2015, 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 municipal corporation and political subdivision ("Grand Chute"), the TOWN OF NEENAH, WISCONSIN, a Wisconsin municipal corporation and political subdivision ("Town of Neenah"), the TOWN OF MENASHA, WISCONSIN, a Wisconsin municipal corporation and political subdivision ("Town of Menasha"), the CITY OF MENASHA, WISCONSIN, a Wisconsin municipal corporation and political subdivision ("City of 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, Town of Menasha and City of Menasha and Sherwood (the "Municipalities"), the REDEVELOPMENT AUTHORITY OF THE CITY OF APPLETON, WISCONSIN, a Wisconsin municipal corporation (the "ARA"), the FOX CITIES AREA ROOM TAX COMMISSION, a Wisconsin quasi municipal corporation (the "Room Tax Commission") and the FOX CITIES PERFORMING ARTS CENTER, INC., a non-profit corporation organized under the laws of the State of Wisconsin.

ARTICLE I.
DEFINITIONS

In addition to those terms defined throughout this Agreement, the following terms shall have the following meanings ascribed to them:

"**ARA**" shall mean the Redevelopment Authority of the City of Appleton, Wisconsin, a Wisconsin body politic and corporate.

"**Additional Bonds**" means such revenue bonds in such series, with such dates and in such principal amounts as the ARA may issue from time to time pursuant to the Indenture for the purpose of refinancing or refunding the then balance of the [***Exhibition Center Series 2015A Bonds***].

"**Additional Municipality**" means any non-party Municipality within the Tourism Zone, as hereinafter defined, which, following the execution of this Agreement, becomes a member of the Zone and a member of the Room Tax Commission and which, pursuant to Section 5.03, becomes a Municipality hereunder.

"Bonds" means collectively the [***Exhibition Center Series 2015A Bonds***] and any Additional Bonds issued by the ARA for the purposes set forth in this Agreement.

"Effective Date" means January 1, 2016.

"Exhibition Center" means a convention center, as referenced in the Room Tax Act, and more specifically described in Exhibit "A" hereto and situated on that real property as legally described in Exhibit "B" hereto.

"Exhibition Center Indenture" or "Indenture" means the Indenture of Trust by and between the ARA and the Trustee with respect to the Bonds, as amended or supplemented from time to time pursuant to the terms thereof.

"Exhibition Center Room Tax" means, for purposes of this Agreement, a tax levied pursuant to the Room Tax Act intended to pay debt services on the Bonds issued to finance the Exhibition Center Project.

[***"Exhibition Center Series 2015A Bonds"***] means the _____ Bonds, issued by the ARA in the aggregate principal amount sufficient to provide net proceeds of [TO BE DETERMINED] for the construction of the Exhibition Center or for any other purpose as authorized hereunder.

"Governing Body" (i) when used with reference to the Municipalities, means the Common Council, Village Board, Town Board or other legislative body of the Municipalities, (ii) when used with reference to the Room Tax Commission, means the Commissioners or other legislative body of the Room Tax Commission, (iii) when used with reference to the ARA, means the Commissioners or other legislative body of the ARA.

"Governing Body Authorization" means the following Governing Body Authorizations and approvals made and given pursuant to the Redevelopment Act, Room Tax Act, and Section 66.30, Wis. Stats.: (i) when used with reference to the City of Appleton, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by City of Appleton's Governing Body on _____, 2015, (ii) when used with reference to City of Kaukauna, means the Resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the City of Kaukauna's Governing Body on _____ , 2015; (iii) when used with reference to City of Neenah, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the City of Neenah's Governing Body on _____, 2015; (iv) when used with reference to the Village of Kimberly, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the Village of Kimberly's Governing Body on _____, 2015; (v) when used with reference to Town of Grand Chute, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the Town of Grand Chute's Governing Body on _____, 2015; (vi) when used with reference to Town of Little Chute, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the Town of Little Chute's Governing Body on _____, 2015; (vii) when

used with reference to the Town of Neenah, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the Town of Neenah's Governing Body on_____, 2015; (viii) when used with reference to the Town of Menasha, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by Town of Menasha's Governing Body on _____, 2015; (ix) when used with reference to the City of Menasha, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by City of Menasha's Governing Body on _____, 2015; (x) when used with reference to the Village of Sherwood, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by Village of Sherwood's Governing Body on _____, 2015; (xi) when used with reference to the Room Tax Commission, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the Room Tax Commission's Governing Body on _____, 2015; and (xii) when used with reference to the ARA, means the resolution titled "Resolution Authorizing the Cooperation Agreement for the Exhibition Center Project" adopted by the Governing Body of the Redevelopment Authority of the City of Appleton, Wisconsin on _____, 2015.

"**Management Agreement**" shall have the meaning ascribed to it in Section 4.04.

"**Mortgages**" means all mortgages and assignments of leases, security agreements or other agreements or instruments heretofore or hereafter entered into by the ARA and delivered to the Trustee for the purpose of granting the Trustee a mortgage lien on the Exhibition Center property as collateral security for the payment of the Bonds.

"Municipality" means each of, Appleton, Kaukauna, City of Neenah, Kimberly, Little Chute, Grand Chute, Town of Neenah, Town of Menasha, City of Menasha, Sherwood and any Additional Municipality.

"Non-Party Municipality Room Taxes" shall have the meaning ascribed to such term in Section 5.03.

"Non-Party Municipality" shall mean a Municipality that is not a party to this Agreement as of the date of its original execution.

"Pledge and Security Agreement" means that Pledge and Security Agreement to be entered into and dated as of the date of the Bonds, by and among the Municipalities, the Room Tax Commission, and the Trustee, incorporating the pledge of Pledged Room Taxes to the Exhibition Center and payment of debt service on the Bonds.

"Pledged Room Taxes" means those room taxes levied at the Room Tax Rate, enforced and collected by the Municipalities pursuant to the Room Tax Act and pledged toward payment of debt service on the Bonds pursuant to the Pledge and Security Agreement.

"Room Tax" means, for purposes of this Agreement, a tax levied pursuant to the Room Tax Act.

"Room Tax Act" means Section 66.0615 of the Wisconsin Statutes, as amended from time to time.

"Room Tax Commission" means the "Fox Cities Area Room Tax Commission" created by the Municipalities for the purpose of coordinating tourism promotion and tourism development in the Tourism Zone, the membership of which shall be as designated in the Room Tax Act, the Amended and Restated Room Tax Commission and Tourism Zone Agreement between the Municipalities dated as of _____, 2015 and the governing documents of the Room Tax Commission.

"Room Tax Rate" means the percentage of Room Tax levied by each Municipality pursuant to the Room Tax Act and Section 3.02 of this Agreement for purposes of paying debt service on the Bonds.

"Surplus Pledged Room Tax Revenues" means Room Tax revenues in excess of that required to be pledged by the Municipalities pursuant to Section 3.03.

"**Tourism Entity**" shall mean the Fox Cities Convention & Visitors Bureau, Inc. ("CVB"), a Wisconsin corporation, as more fully set forth in Section 2.03 of this Agreement.

"Tourism Zone" as defined in the Room Tax Act, means the Fox Cities Tourism Zone, encompassing the Municipalities and any neighboring municipalities.

"Trustee" means such institution acceptable to issuer to serve as trustee under the Indentures.

ARTICLE II.
RECITALS OF PUBLIC PURPOSE

Section 2.01 Tourism Zone Objectives.

The parties hereto have identified the development and redevelopment of the Tourism Zone and the promotion and development of tourism within the Tourism Zone as matters of group interest.

Section 2.02 Importance of Exhibition Center Project.

The Exhibition Center project will require the construction, installation and improvement of real property within the Tourism Zone which improvements and interrelated facilities constitute a tourism facility within the meaning of the Room Tax Act and serve the purposes and objectives set forth in "Exhibit A" ("Exhibition Center Project"). The Municipalities, the Room Tax Commission and the ARA hereby find and determine that the control, disposition and use of the Exhibition Center will be crucial to the achievement of a sound and coordinated development of the Tourism Zone and for the promotion and development of tourism activities within the Tourism Zone.

The Municipalities, the Room Tax Commission and the ARA intend to take all steps and perform all acts hereunder necessary to undertake and complete the Exhibition Center Project consistent with the terms and conditions of this Agreement.

Section 2.03 Importance of Room Tax Revenues.

The Room Tax revenues, as pledged and utilized pursuant to this Agreement and the Pledge and Security Agreement, once executed, will assist in the financing of the Exhibition Center. The Room Tax Commission shall contract with the CVB, as a Tourism Entity, to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.

Section 2.04 Governing Body Authorizations.

Acting pursuant to Section 66.0301, Wis. Stats. and the Room Tax Act, the execution, delivery and performance of this Agreement by the Municipalities, the Room Tax Commission and the Authorities have been authorized by the respective Governing Body Authorizations.

Section 2.05 Nature of Financing Transaction.

The ARA will be responsible for acting as conduit issuer of the bonds and payment of all debt service on the Bonds shall be made solely from the proceeds of the Room Tax Rate. The ARA's budget will not be collateral for the Bonds. Pursuant to the Pledge and Security Agreement, the Pledged Room Tax revenues will be pledged to the Trustee for purposes of paying debt service on the Bonds.

The Bonds will be limited obligations of the ARA and shall not constitute a debt or obligation of the ARA or the Municipalities and shall not be a charge against the general credit or taxing powers of the ARA or the Municipalities except for and limited to the Pledged Room Tax revenues pursuant to the Pledge and Security Agreement.

ARTICLE III.
UNDERTAKINGS OF THE MUNICIPALITIES

Section 3.01 Municipalities to Plan to Promote Private Development.

The Municipalities agree to work with the Room Tax Commission and the CVB to develop plans for the use of the Exhibition Center property in a manner that will promote and assist the future private development of the Tourism Zone and that will promote and develop tourism and redevelopment. Pursuant to (1m)(am)(3) of the Room Tax Act, the parties hereto find and agree that (i) each Municipality is located in a county or counties with a population of less than 380,000; (ii) the counties in which the Municipalities are located are not located adjacent to any county with a population of over 380,000; and (iii) the Municipalities are working cooperatively together to construct the Exhibition Center.

Section 3.02 Municipalities to Levy, Enforce and Collect Pledged Room Taxes At Prescribed Room Tax Rate.

Notwithstanding prior resolutions, ordinances or municipal acts to the contrary, the Municipalities agree to enact resolutions, ordinances and all other municipal acts necessary to effect, on or before the Effective Date, the levy, enforcement and collection of the Room Tax at the Room Tax Rate permitted in the Room Tax Act and as may be necessary to fulfill the Municipalities' obligations under Section 3.03 herein. The Room Tax Rate to be imposed by the Municipalities pursuant to this Agreement shall be three percent (3%).

Section 3.03 Municipalities to Pledge Net Room Taxes.

The Municipalities agree to enact resolutions, ordinances and all other municipal acts necessary to effect, on or before the Effective Date, the pledge of any and all Pledged Room Taxes to the Room Tax Commission and to consent to the use of Pledged Room Taxes for the purpose of, among other things, making payments, whether directly or indirectly, of debt service on the Bonds and/or such other reasonable and customary payments or deposits related to the Bonds such as, but not limited to, costs of issuance, Reserve and Stabilization Funds and capitalized Interest Payments, if any. The Municipalities shall enter into the Pledge and Security Agreement to be dated as of the date of issuance of the Bonds setting forth the terms and conditions of the pledge of Pledged Room Taxes and such pledge thereunder shall terminate upon payment in full of all Bonds.

Section 3.04 Municipalities to Participate in the Room Tax Commission.

The Municipalities agree, in accordance with the Room Tax Act, to create and participate in the Room Tax Commission as required by law. The Municipalities' membership in the Room Tax Commission shall be governed by the Room Tax Act, §66.0615 Wis. Stats., as the same may be amended from time to time.

Section 3.05 Existing Room Taxes.

The parties hereto acknowledge the existence of that Cooperation Agreement dated June 1, 2000 ("PAC Cooperation Agreement") in which the Municipalities (excluding the City of Menasha and Sherwood, but including Little Chute which was added as a party after the initial execution) agreed to impose a Room Tax in the amount of two percent (2%) ("PAC Room Tax") and pledged certain revenues thereof to the payment of bonds which were issued to pay the costs associated with the construction of the Fox Cities Performing Arts Center ("PAC Bonds"). The PAC Room Tax was intended to expire upon retirement of the PAC Bonds as more fully described in the PAC Cooperation Agreement.

In addition to the PAC Room Tax, each Municipality has previously enacted Room Taxes for other tourism purposes (collectively, "Existing Room Taxes"). Pursuant to the Room Tax Act, all Municipalities in a Tourism Zone must levy the same percentage of tax and to the extent the Municipalities cannot agree, the Room Tax Commission of that Zone shall set the

percentage. The Municipalities agree that it is a goal of this Agreement to create uniformity across the Municipalities' Existing Room Taxes which may require the enacting of an additional percentage of tax for certain Municipalities. The form ordinance attached hereto as Exhibit "C" achieves this goal by imposing the following Room Taxes across all Municipalities:

a. A Room Tax in the amount of three percent (3%) shall be imposed and allocated toward the support of the CVB, to be used for the promotion of the Fox Cities Tourism Zone as a tourism destination ("CVB Room Tax"), except that:

    i. Each Municipality may retain five percent (5%) of the revenues of this CVB Room Tax for general tourism support and development in the Municipality in accordance with the requirements of the Room Tax Act.

b. A Room Tax in the amount of two percent (2%) shall be imposed and allocated toward payment of debt service on the PAC Bonds in accordance with that Cooperation Agreement dated June 1, 2000. The rate imposed as set forth in this subsection (b) shall be known as the "PAC Room Tax ". This PAC Room Tax was intended to sunset and expire upon full payment and satisfaction of the PAC Bonds, which full payment and satisfaction is expected to occur following the September 30, 2017 debt service payment on the PAC Bonds; however, the parties hereto agree that the PAC Room Tax shall not sunset and expire upon full payment of the PAC Bonds, but, upon full payment and satisfaction of the PAC Bonds, shall ultimately be reallocated toward the development and support of amateur sports facilities within the Fox Cities Tourism Zone and/or other facilities which are reasonably likely to generate paid overnight stays at more than one hotel or motel establishment within the Fox Cities Tourism Zone as more fully set forth in Section 3.06 below.

c. A Room Tax in the amount of three percent (3%) shall be imposed and allocated toward payment of debt service on the Exhibition Center Bonds in accordance with that Exhibition Center Cooperation Agreement dated _____, 2015 to which the Municipalities are a party ("Exhibition Center Room Tax").

d. A Room Tax in the amount of one percent (1%) shall be retained by the Municipalities ("Municipal Room Tax") and used for general purposes, including but not limited to tourism support and development in the Fox Cities Tourism Zone in accordance with the requirements of the Room Tax Act.

e. A Room Tax in the amount of one percent (1%) shall be imposed and allocated toward the development and support of amateur sports facilities within the Fox Cities Tourism Zone and/or other facilities which are reasonably likely to generate paid overnight stays at more than one hotel or motel establishment within the Fox Cities Tourism Zone ("Tourism Facilities Room Tax"). The Tourism Facilities Room Tax funds shall be administered by the CVB under the Tourism Development Fund.

In the event any Operator or Municipality fails to remit the full amounts owed in any quarterly payment ("Deficient Payment") to the Room Tax Commission under this Agreement, the Room Tax Commission and Tourism Zone Agreement or those ordinances executed by the Municipalities as required hereunder, the Deficient Payment amounts actually received by the Room Tax Commission shall be applied in the following priority order:

a. The Deficient Payment amounts received shall first be applied toward the three percent (3%) Room Tax imposed for the support of the CVB;

b. The Deficient Payment amounts remaining after payment to the CVB as required in subsection (a) above, shall be applied toward the two percent (2%) Room Tax pledged as collateral for payment of the PAC Bonds;

c. The Deficient Payment amounts remaining after payment toward the PAC Bonds as required in subsection (b) above, shall be applied toward the three percent (3%) Room Tax pledged as collateral for payment of the Exhibition Center Bonds; and

d. The Deficient Payment amounts remaining after payment toward the Exhibition Center Bonds as required in subsection (c) above, shall be applied toward the one percent (1%) Municipal Room Tax; and

e. All remaining Deficient Payment amounts shall be applied toward the one percent (1%) Tourism Facilities Room Tax.

Section 3.06 Reallocation of PAC Room Tax.

The PAC Room Tax shall no longer sunset and expire but shall instead be reallocated following the full payment of satisfaction of the PAC Bonds. The proceeds generated from the PAC Room Tax Rate for the calendar quarter in which the PAC Bonds were fully paid and satisfied shall be directed toward payment of debt service on the Bonds, capitalized Interest Payments on the Bonds or may be deposited into Reserve and Stabilization Funds associated with the issuance of the Bonds. Commencing on the first day of the next calendar quarter, all proceeds from the PAC Room Tax shall be directed toward the development and support of amateur sports facilities within the Fox Cities Tourism Zone and/or other facilities which are reasonably likely to generate paid overnight stays at more than one hotel or motel establishment within the Fox Cities Tourism Zone, to be administered by the CVB under the Tourism Development Fund.

ARTICLE IV.
UNDERTAKINGS OF APPLETON

Section 4.01 Acquisition of Exhibition Center Property.

Appleton shall acquire certain real property within the Tourism Zone for the use and construction of the Exhibition Center ("Exhibition Center Property"), as legally described in the attached Exhibit "B". Upon acquisition of the property, Appleton shall undertake all necessary

site clearance, utility work and/or environmental remediation necessary to prepare the Property for the construction of the Exhibition Center. In addition, Appleton shall complete the construction of certain public infrastructure improvements which will be necessary for the operation of the Exhibition Center, once constructed. It is anticipated and permissible under this Agreement, that for purposes of management and financing of the Exhibition Center that the City of Appleton transfer ownership of the Exhibition Center by Quit Claim Deed to the ARA as authorized and accepted by the ARA in Article VI.

It is estimated that the above undertakings of Appleton shall total approximately Three Million Eight Hundred Thousand Dollars ($3,800,000), of which approximately Two Million Two Hundred Thousand Dollars ($2,200,000) will be allocated to site acquisition and the remaining approximately One Million Six Hundred Thousand Dollars ($1,600,000) will be allocated toward the required infrastructure improvements. Appleton has made and continues to make additional expenditures to support the cost of developing the Exhibition Center, which will increase the City's contribution to well in excess of Three Million Eight Hundred Thousand Dollars ($3,800,000).

Section 4.02 Appleton to Construct Exhibition Center.

The parties hereby authorize Appleton, working with the other Municipalities as provided herein, to construct the Exhibition Center, the costs of which shall include:

a. Design, including architectural, civil engineering, electrical engineering, mechanical engineering, structural engineering and any specialty engineering;

b. Site work (excluding the purchase price of the land), including landscaping and retaining walls;

c. Construction of the structure, electrical, HVAC, technology and communication systems and equipment, security systems, and other normal and customary elements typically included in the construction of an exhibition or conference center, as well as the cost of furniture, fixtures and equipment to service the Exhibition Center; provided, however, that the total costs of the same may not exceed Twenty Nine Million ($29,000,000) ("Maximum Cost Estimate") unless Appleton receives the prior written consent of a majority of the Advisory Committee, as more fully described in Section 6.04 of this Agreement, to exceed the Maximum Cost Estimate.

Furthermore, Appleton is authorized to design and construct the Exhibition Center in a manner that is materially consistent with that Building Program dated March 16, 2012 and prepared by McCleskey Consulting. The ultimate fit and finish of the Exhibition Center shall be consistent with other similarly situated exhibition centers located in the State of Wisconsin.

Section 4.03 Appleton to Provide Administrative Support to ARA.

In addition to the obligations set forth in Section 4.01 and Section 4.02, Appleton agrees to provide the necessary administrative support to enable the ARA to achieve the objectives set

forth herein. Administrative support may include services such as the provision of office space and the provision of financial, accounting, legal and engineering consultation.

Section 4.04 Management Agreement.

The City, or its assigns, may enter into an agreement with a solely owned single purpose entity owned by Appleton Holdings, LLC, which is the owner of the Paper Valley Hotel ("Operator") wherein the Operator will operate and manage the Exhibition Center in such a manner as to promote and develop tourism within the Tourism Zone ("Management Agreement"). This Management Agreement shall include provisions requiring compliance with any management rules, use restrictions or payment restrictions which, in the opinion of independent bond counsel, are required to create and maintain the tax exempt status of the Bonds.

ARTICLE V.
UNDERTAKINGS OF THE ROOM TAX COMMISSION

Section 5.01 Room Tax Commission to Pledge Pledged Room Tax Revenues.

The Room Tax Commission agrees to enact resolutions and all other municipal acts necessary to effect the pledge, as of the Effective Date, of any and all Pledged Room Tax revenues collected or held by the Room Tax Commission, or its designees or assigns, to (i) the making of payments, whether directly or indirectly of debt service on the Bonds; (ii) such other payments or deposits related to the Bonds; and (iii) the funding of any reserve fund or stabilization fund associated with the Bonds subject to any restriction related thereto in the Room Tax Act. The Room Tax Commission, and its designees or assigns, as necessary, shall enter into the Pledge and Security Agreement setting forth the terms and conditions of the pledge of Pledged Room Taxes.

Section 5.02 Room Tax Commission to Apply Surplus Pledged Room Tax Revenues.

All Surplus Pledged Room Tax Revenues remaining after payment in full of all debt service on the Bonds, or after the accumulation of Room Tax Revenues sufficient to pay when due all remaining debt service on the Bonds, shall be distributed or applied at the discretion of the Room Tax Commission or its designees or assigns, in accordance with the Room Tax Act. The use of such Surplus Pledged Room Tax Revenues shall be subject to the terms of the Pledge and Security Agreement.

Section 5.03 Additional Municipalities.

In the event that any Non-Party Municipality levies a Room Tax within its jurisdiction pursuant to the Room Tax Act ("Non-Party Municipality Room Taxes"), the Room Tax Commission shall use its best efforts to encourage and accept such non-party Municipality to become an Additional Municipality and a member of the Room Tax Commission. Each Additional Municipality shall as a condition to becoming a member of the Room Tax Commission, become a party to this Agreement and be bound to the terms, conditions and

obligations of the Municipalities hereunder. Acceptance of such Additional Municipality as an additional member of the Room Tax Commission 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. As a prerequisite to admission to the Room Tax Commission, the Non-Party Municipality shall become a party to the Pledge and Security Agreement by execution of a written instrument and shall meet any other requirements as set forth in the Pledge and Security Agreement.

ARTICLE VI.
UNDERTAKINGS OF ARA

Section 6.01 Acceptance of Appleton Contribution.

Subject to the provisions of Section 4.01, the ARA may agree to accept ownership of the Exhibition Center Property from Appleton and to oversee the construction and development of the Exhibition Center Project. The ARA may accept ownership at any time during the development process as deemed appropriate by Appleton and the ARA. Once constructed, the ARA shall be responsible for the oversight of the management and operation of the Exhibition Center, which responsibilities may be delegated to a third party at the discretion of the ARA.

Section 6.02 Redevelopment.

Appleton shall assist the ARA in developing plans for the use of the Exhibition Center property in a manner which will promote and assist the future private development of the Tourism Zone to promote and develop tourism activities.

Section 6.03 Provision of Funding.

The ARA agrees to provide funding for the Exhibition Center Project as provided in Article VII.

Section 6.04 Advisory Committee

During the term of this Agreement, the ARA shall provide an opportunity for reasonable participation of the Municipalities in decisions relating to the operation of the Exhibition Center through the creation of an advisory committee which is intended to provide counsel to the ARA and to assist in program development and operations for the Exhibition Center ("Advisory Committee"). The membership of the Advisory Committee shall include the following: one representative from each Municipality collecting Room Tax used in part to fund the Exhibition Center operations (appointed by the Municipality); two (2) hoteliers collecting Room Tax used in part to fund the Exhibition Center (appointed by the ARA Chairperson and approved by ARA), two (2) community members residing within a community collecting Room Tax used in part to fund the Exhibition Center operations (appointed by the ARA Chairperson and approved by ARA), one (1) member of the ARA (appointed by the ARA Chairperson) and the Executive Director of the CVB, or its designee. The Appleton Community and Economic Development Director, or a designee thereof, shall also be a non-voting, advisory member of the Committee.

The Chair and Vice-Chair of the Committee shall be designated by ARA and shall serve one year terms that may be renewed at the discretion of ARA. Committee members, with the exception of the Executive Director of the CVB and Appleton Community and Economic Development Director, or designees thereof, shall serve terms of two (2) years and may serve up to three (3) consecutive terms. However, upon establishment of this committee, the following shall serve an initial term of three years: one half of the participating municipalities chosen by random selection, one of the hotelier representatives and one of the community members.

The roles and responsibilities and general operating rules of the Advisory Committee shall be as passed and approved by the Advisory Committee from time to time.

ARTICLE VII.
FUNDING

Section 7.01 Sale of Bonds.

The ARA shall issue and sell the [***Exhibition Center Series 2015A Bonds***] upon such terms and at such time as are acceptable to the ARA. The [***Exhibition Center Series 2015A Bonds***] shall be payable by the ARA solely from revenues derived by the ARA from the Bond documents, the Pledge and Security Agreement, the Pledged Room Taxes pledged pursuant to Section 3.03 herein, cash and securities held from time to time in certain trust funds held by the Trustee under the Indentures and the investment earnings thereon.

Section 7.02 Mortgage and Assignment of Lease and Rents of the Appleton Development Property.

The ARA may grant to the Trustee, as security for the payment of the Bonds, a Mortgage and Assignment of Lease and Rents over the Exhibition Center Property.

As further security for the Bonds, the ARA may provide or cause to be provided a letter of credit or other form of security for payment of debt service on the Bonds. The provision of such security for the Bonds shall be at the sole discretion of the ARA and shall be provided at the sole cost and expense of the ARA. In the event a letter of credit provider or other guarantor of the Bonds (the "Bond Guarantor") is required to make debt service payments, the Municipalities agree that Pledged Room Tax revenues may be used to reimburse Bond Guarantor for all payments of debt service on the Bonds. The Municipalities further agree that the pledge of Pledged Room Tax revenues hereunder shall continue until payment in full of the Bonds, or any additional bonds issued pursuant hereto, and any reimbursement to Bond Guarantor.

ARTICLE VIII.
MISCELLANEOUS

Section 8.01 Assignment of Rights Under this Agreement.

No party may assign its rights under this Agreement without the written consent of the other parties.

Section 8.02 Nondiscrimination.

Each party agrees that neither the Exhibition Center Project nor any portion thereof shall be undertaken or operated in a manner to permit discrimination or restriction on the basis of race, color, ancestry, religion, national origin, political affiliation (except to members of political groups or parties who advocate the overthrow of the United States government), sex, gender identity, gender expression, age, disability, marital status, arrest or conviction record, sexual orientation, disabled veteran or a covered veteran status and that the Exhibition Center Project shall be undertaken or operated in compliance with all effective laws, ordinances and regulations relating to discrimination on any of the foregoing grounds.

Section 8.03 Approximations.

It is understood and agreed by the parties that any dimensions, areas and volumes set forth herein or in the Exhibits hereto are preliminary and tentative. Before the legal descriptions of the various applicable parcels are finalized, the parties reserve the right to make minor changes in such dimensions, areas and volumes to best accommodate and facilitate the purposes of this Agreement.

Section 8.04 No Personal Liability.

Under no circumstances shall any officer, official, director, member or employee of the Municipalities, the Room Tax Commission or the ARA have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

Section 8.05 Parties and Interests.

This Agreement is made solely for the benefit of the parties hereto, the Trustee and owners of the Bonds and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof.

Section 8.06 Notices.

All notices, demands, certificates or other communications under this Agreement shall be sufficiently given and shall be deemed given when hand delivered or when mailed by first-class mail, postage prepaid, with proper address as indicated beneath the respective signatures to this Agreement. Any party may, by written notice to the other party, designate a change of address for the purposes aforesaid.

Section 8.07 Amendment.

No modification, alteration or amendment to this Agreement shall be binding upon any party hereto until such modification, alteration or amendment is reduced to writing and executed by all parties hereto. No amendment, alteration or amendment to this Agreement, which in any

manner affects the payment of principal, interest or premium, if any, on the Bonds or the interests of the owners of the Bonds shall be approved without the written consent of the Trustee.

Section 8.08 Termination of Agreement.

This Agreement and the terms and obligations hereunder shall terminate upon payment in full of the Bonds and any Additional Bonds issued pursuant hereto and reimbursement to the Bond Guarantor for any debt service payments made and amounts due to Bond Guarantor pursuant to Section 7.02 above.

Section 8.09 Governing Law

The laws of the State of Wisconsin shall govern this Agreement.

Section 8.10 Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.

Section 8.11 Counterparts.

This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 8.12 Severability.

If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

(SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

CITY OF APPLETON, WISCONSIN

By:_____
Name:_____
Its: Mayor

Countersigned:

_____
Name: _____
Its: Clerk

APPROVED AS TO FORM:

By:_____
Name:_____
Its: Attorney

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

CITY OF KAUKAUNA, WISCONSIN

By:_____
Name:_____
Its: Mayor

Countersigned:

_____
Name:_____
Its: Clerk

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

CITY OF NEENAH, WISCONSIN

By:_____
Name:_____
Its: Mayor

Countersigned:

_____
Name:_____
Its: Clerk

APPROVED AS TO FORM:

By:_____
Name:_____
Its: Attorney

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

VILLAGE OF KIMBERLY, WISCONSIN

By:_____
Name:_____
Its: Village Board President

Countersigned:

_____
Name:_____
Its: Village Clerk

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

TOWN OF GRAND CHUTE, WISCONSIN

By:_____
Name:_____
Its: Town Board Chairman

Countersigned:

_____
Name:_____
Its: Town Clerk

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

TOWN OF NEENAH, WISCONSIN

By:_____
Name:_____
Its: Town Board, Chairman

Countersigned:

_____
Name:_____
Its: Town Clerk

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

TOWN OF MENASHA, WISCONSIN

By:_____
Name:_____
Its: Town Board Chairman

Countersigned:

_____
Name:_____
Its: Town Clerk

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

CITY OF MENASHA, WISCONSIN

By:_____
Name:_____
Its: President

Countersigned:

_____
Name:_____
Its: Clerk/Administrator

APPROVED AS TO FORM:

By:_____
Name:_____
Its: Attorney

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

VILLAGE OF LITTLE CHUTE, WISCONSIN

By:_____
Name:_____
Its: Village Board President

Countersigned:

_____
Name:_____
Its: Village Clerk

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

VILLAGE OF SHERWOOD, WISCONSIN

By:_____
Name:_____
Its: President

Countersigned:

_____
Name:_____
Its: Administrator

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

REDEVELOPMENT AUTHORITY OF THE CITY OF APPLETON, WISCONSIN

By:_____
Name:_____
Its: Chairperson

Countersigned:

_____
Name:_____
Its: Secretary

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

FOX CITIES AREA ROOM TAX COMMISSION

By:_____
Name:_____
Its: _____

Countersigned:

_____
Name:_____
Its: _____

IN WITNESS WHEREOF, the parties have executed this Exhibition Center Cooperation Agreement as of the date first above written.

FOX CITIES PERFORMING ARTS CENTER, INC.

By:_____
Name:_____
Its: President

Countersigned:

_____
Name:_____
Its: Secretary

Exhibit A
Exhibition Center Project

The Building Program dated March 16, 2012, prepared by McCleskey Consulting is the guide for the development of the Exhibition Center contemplated herein. Pursuant to the Building Program, the Exhibition Center shall consist of approximately 65,500 gross square feet (more or less, depending on final architectural plans and program). The Exhibition Center is intended to include:

1. Exhibition and trade show space with state of the art technical capabilities; and

2. Meetings, banquets and/or exhibition space

Exhibit B
Exhibition Center Property
Description

EXHIBIT B

DESCRIPTION

PARCEL NO. 312011600

CSM 5460 LOT 1 VOL 31 DOC 1726114 BEING ALL OF LOTS 1,2,3,4,5,8,9,10, 11 & 12 BLK 8 APPLETON PLAT AND PRT OF VAC EIGHTH ST

PARCEL NO. 312012601

CSM 5460 LOT 2 VOL 31 DOC 1726114 BEING ALL OF LOTS 1,2,3,4,5,8,9,10, 11 & 12 BLK 8 APPLETON PLAT AND PRT OF VAC EIGHTH ST

PARCEL NO. 312012600

CSM 5460 LOT 3 VOL 31 DOC 1726114 BEING ALL OF LOTS 1,2,3,4,5,8,9,10, 11 & 12 BLK 8 APPLETON PLAT AND PRT OF VAC EIGHTH ST

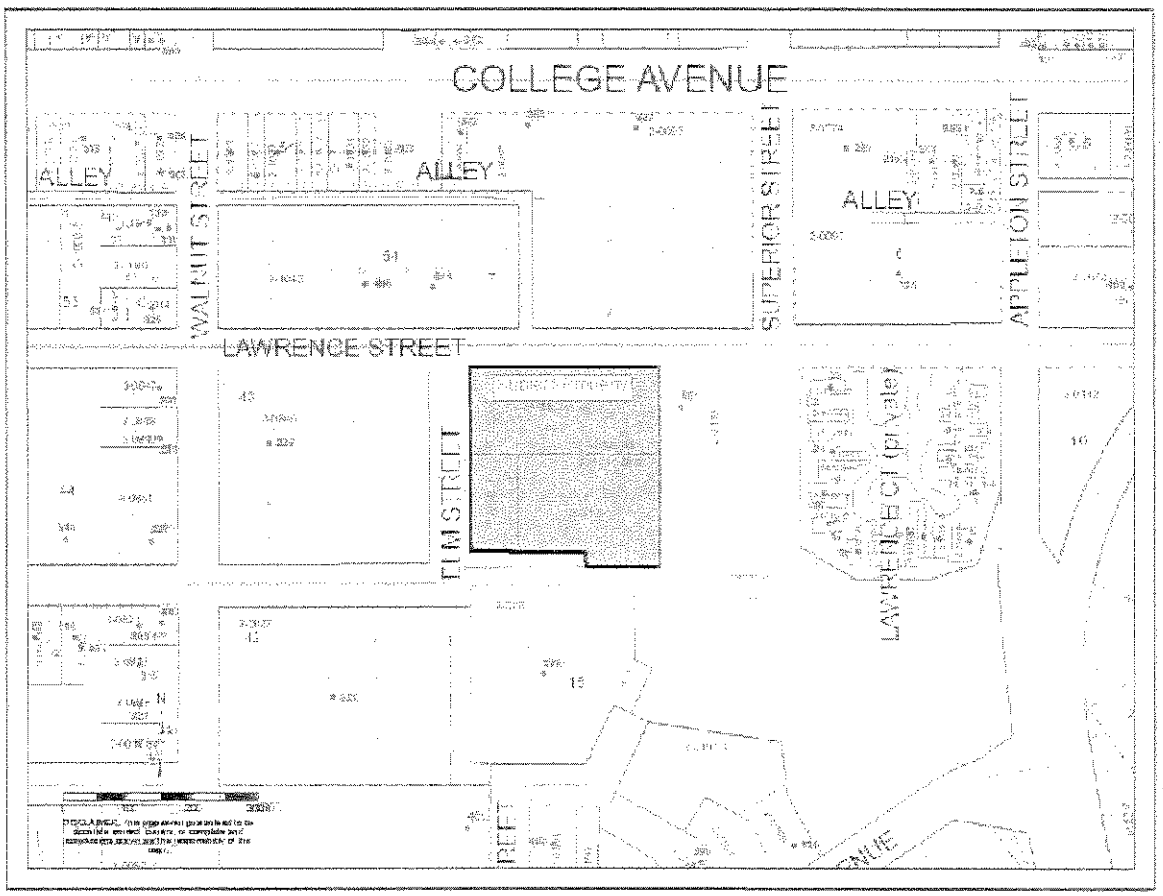

Exhibit C
Form Ordinance

SUMMARY OF

ORDINANCE IMPOSING A HOTEL/MOTEL TAX

Who: Each municipality will need to enact an ordinance that amends and restates prior ordinances to carry out the terms agreed to in the Cooperation Agreement.

What: The ordinance imposes the room tax consistent with the Cooperation Agreement.

Where: Each ordinance applies only to the municipality enacting the ordinance. However, the form ordinance used by each municipality will create uniformity.

When: The room tax will be effective January 1, 2016.

Why: The ordinance is required to give legal effect to the terms of the Cooperation Agreement.

Allocation of Room Tax	Before the PAC is paid off	After the PAC is paid off
CVB Room Tax	3%	3%
PAC Room Tax	2%	-0-
Exhibition Center Room Tax	3%	3%
Municipality Room Tax	1%	1%
Tourism Facility Room Tax	1%	3%
Total	10%	10%

This page is not substantively part of the ordinance form attached hereto.