

**ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL
ACTIONS OF THE COMMON COUNCIL OF THE CITY OF WHITEWATER,
WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.**

August 17, 2010

The regular meeting of the Common Council was called to order at 6:30 p.m. by Council President Singer. MEMBERS PRESENT: Olsen, Winship, Binnie, Singer, Stewart. MEMBERS ABSENT: Kienbaum. LEGAL COUNSEL PRESENT: No.

APPROVAL OF MINUTES. It was moved by Olsen and seconded by Binnie to acknowledge receipt and filing of the Landmarks Commission minutes of 7/7/10, Park and Recreation Board minutes of 7/12/10 and 8/2/10, Urban Forestry Commission Minutes of 5/11/10, Whitewater Effigy Mounds Preserve Task Force minutes of 4/6/10 and Irvin L. Young Memorial Library corrected minutes of 7/12/10 AYES: Olsen, Winship, Binnie, Singer, Stewart. NOES: None. ABSENT: Kienbaum.

APPROVAL OF PAYMENT OF INVOICES. It was moved by Olsen and seconded by Binnie to approve payment of city invoices in the total sum of \$172,259.86. AYES: Olsen, Winship, Binnie, Singer, Stewart. NOES: None. ABSENT: Kienbaum.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$5,100,000 GENERAL OBLIGATION REFUNDING BONDS. Robert W. Baird representative, Steve Kornetzke presented information regarding the financing bonds. The interest rate will be 2.18%.

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$5,000,000 GENERAL OBLIGATION REFUNDING BONDS**

WHEREAS, the City Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin (the "City") hereby finds and determines that it is necessary, desirable and in the best interest of the City to raise funds for the purpose of refunding obligations of the City, including interest on them, specifically, the outstanding General Obligation Refunding Bonds, dated January 1, 1999, the General Obligation Refunding Bonds, dated February 1, 2001, maturing in the years 2011 through 2015, and the outstanding General Obligation Refunding Bonds, dated April 1, 2001 (collectively, the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

WHEREAS, the City Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of achieving debt service cost savings;

WHEREAS, cities are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance their outstanding obligations;

WHEREAS, the City has directed its financial advisor, Robert W. Baird & Co. Incorporated ("Baird") to take the steps necessary to sell its General Obligation Refunding Bonds (the "Bonds");

WHEREAS, Baird, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on August 17, 2010;

WHEREAS, the City Clerk (in consultation with Baird) caused notice of the sale of the Bonds to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the City. Baird has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The City Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the City and Baird in connection with the preparation and distribution of the Official Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed, pursuant to Section 67.04, Wisconsin Statutes, through the issuance of the Bonds, the sum of FIVE MILLION DOLLARS (\$5,000,000).

Section 1C. Award of the Bonds. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal (as modified on the Bid Tabulation), plus accrued interest to the date of delivery, is hereby accepted. The City Manager and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Refunding Bonds"; shall be issued in the aggregate principal amount of \$5,000,000; shall be dated September 1, 2010; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum; and mature on September 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2011. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 2A. Designation of Maturities. The Bonds of this issue which mature first are designated as being issued to refund the Refunded Obligations and the obligations refunded by the Refunded Obligations in the order in which the debts evidenced by said obligations were incurred so that the Bonds of the earliest maturities are considered to be issued to discharge the debts which were incurred first.

Section 3. Redemption Provisions. The Bonds shall not be subject to optional redemption.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2010 through 2019 for the payments due in the years 2011 through 2020 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for \$5,000,000 General Obligation Refunding Bonds, dated September 1, 2010" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the City Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all

other funds of the City and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and their ownership, management and use will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the City Manager and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the

Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the City Manager and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the City Manager and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the

Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 16. Official Statement. The City Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 17. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 18. Redemption of the Refunded Obligations. The Refunded Obligations due on and after September 1, 2011 are hereby called for prior payment and redemption on September 1, 2010 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Baird to cause timely notice of redemption to be provided at the times, to the parties and in the manner required by the Refunded Obligations. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 19. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 20. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The City Manager and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the City Manager and City Clerk including provisions

regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the City Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Resolution introduced by Councilmember Olsen, who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Stewart, NOES: None. ABSENT: Kienbaum.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$1,215,000 WATERWORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 2010, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS. The interest rate on this transaction will be 1.49% for Waterworks System Revenue Refunding Bonds. City Manager Brunner stated that the savings of refinancing on a combined basis for both this and the previous issue will be almost \$700,000.

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$1,215,000 WATERWORKS SYSTEM REVENUE REFUNDING BONDS, SERIES 2010, OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES, WISCONSIN, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Whitewater, Walworth and Jefferson Counties, Wisconsin ("City") now owns and operates and has for many years owned and operated its Waterworks System, a public utility (the Waterworks System and all properties of every nature in connection with such System now or hereafter owned by the City, including all improvements and extensions thereto, all real and personal property of every nature comprising part of and used or useful in connection therewith, and all appurtenances, contracts, leases, franchises and other intangibles, are hereinafter referred to collectively as the "System"); and

WHEREAS, under the provisions of Chapter 66, Wis. Stats., any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or to refund obligations issued to finance extensions, additions and improvements from the proceeds of bonds, which bonds are to be payable only from the income and revenues derived from the operation of such utility and are to be secured by a pledge of the revenues of the utility; and

WHEREAS, pursuant to a resolution adopted on September 5, 2000, the City issued its Waterworks System Mortgage Revenue Bonds, Series 2000, dated September 15, 2000 (the "2000 Bonds"), which bonds are payable from the income and revenues of the System; and

WHEREAS, the City has determined that it is necessary and desirable to refund the outstanding 2000 Bonds; and

WHEREAS, it is desired to authorize and sell revenue bonds for such purpose payable solely from the revenues to be derived from the operation of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wis. Stats.; and

WHEREAS, other than the 2000 Bonds being refunded, the City has no bonds or obligations outstanding which are payable from the income and revenues of the System; and

WHEREAS, the City has directed its financial advisor, Robert W. Baird & Co. Incorporated ("Baird") to take the steps necessary to sell its Waterworks System Revenue Refunding Bonds, Series 2010 (the "Bonds"); and

WHEREAS, Baird, in consultation with the officials of the City, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on August 17, 2010; and

WHEREAS, the City Clerk (in consultation with Baird) caused notice of the sale of the Bonds to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Bonds for public sale; and

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the City. Baird has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference;

NOW, THEREFORE, the City Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, do resolve that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The City Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the City and Baird in connection with the preparation and distribution of the Official Notice of Sale and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of Bonds. For the purpose above stated, the City shall borrow on the credit of the income and revenue of the System the sum of \$1,215,000. Negotiable,

fully-registered bonds of the City, in the denomination of \$5,000, or any whole multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Waterworks System Revenue Refunding Bonds, Series 2010", shall be numbered from R-1 upward and shall be dated September 7, 2010. The Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on October 1 of each year, in the years and principal amounts set forth in the debt service schedule attached hereto as Exhibit D and incorporated herein by this reference (the "Schedule").

Interest on the Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2011. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The Bonds shall not be subject to optional redemption.

The schedule of maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The City Council hereby determines that the refunding of the 2000 Bonds is advantageous and necessary to the City.

The Bonds shall be signed by the manual or facsimile signatures of the City Manager and City Clerk of the City (provided that, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of such signatures shall be manual), and sealed with the corporate seal of the City.

The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the owner thereof only against the Special Redemption Fund and the revenues pledged to such Fund, and sufficient revenues are pledged to the Special Redemption Fund, and shall be used for no other purpose than to pay the principal of and interest on the Bonds and Parity Bonds as the same fall due.

Section 2. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Bonds and Parity Bonds.

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 9 of this Resolution.

"Reserve Requirement" means an amount equal to the least of (a) 10% of the proceeds of the Bonds, (b) maximum annual debt service on the outstanding Bonds in any Bond Year and (c) 125% of average annual debt service on the outstanding Bonds. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean the least of (a) the amount on deposit in the Reserve Account prior to the issuance of such Parity Bonds plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code, (b) the maximum annual debt service requirement for outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it and all moneys received from any other source, including income derived from investments.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds, which were created and established by Ordinance No. 542 adopted on May 4, 1965 and are hereby continued and shall be used and applied as described below:

- Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the Waterworks System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

- Revenues in amounts sufficient to pay the principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Waterworks Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Bonds and Parity Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Waterworks Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the City Council in the manner required by Chapter 34 of the Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wis. Stats.

Money in the Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any

money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Fund each month until the sum of \$25,000 or such larger amount as the City Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the City Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds are set forth on the Schedule.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wis. Stats., and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

The Reserve Account previously established within the Special Redemption Fund (the "Reserve Account") shall be continued to secure the payment of principal of and interest on the Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount equal to the Reserve Requirement shall be on deposit in the Reserve Account and shall be maintained therein. The amount on deposit in the Reserve Account shall be reduced from time to time to an amount equal to the Reserve Requirement at that time. Any amount withdrawn from the Reserve Account shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required

by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wis. Stats. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the amount of such reasonable cost and value shall be equal to the lesser of the maximum Annual Debt Service Requirement or such part thereof as may be necessary from year to year to pay the balance of an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.20 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriation by the City Council, (b) approval of the Wisconsin Public Service Commission, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

It will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the

System, and will segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

It will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the City to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

It will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

It will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 120% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes; and

It will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible.

Section 7. Books and Accounts; Inspection. The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a balance sheet as of the end of such Fiscal Year; (3) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (4) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (5) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (6) the volume of water used.

The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto.

Section 8. Insurance. So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds: (a) adequate fire, lightning, vandalism, riot, strike, explosion, civil commotion, malicious damage, tornado and windstorm insurances on all portions of the System which are subject to loss through such casualties; (b) adequate insurance against loss of use and occupancy resulting from such casualties; (c) adequate public liability insurance and (d) insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any of such casualty policies, except those specified in (b) above, shall be used in repairing the damage or in replacing the property destroyed provided that if the City Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money, including proceeds from insurance under (b) above, shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 9. Additional Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been equal to at least 1.20 times the highest combined annual principal and interest requirements on all bonds outstanding payable from Revenues of the System and on the Bonds then to be issued in any Fiscal Year. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

b. The payments required to be made into the funds enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The additional bonds must have principal maturing on October 1 of each year and interest falling due on April 1 and October 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

e. The proceeds of the additional bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 10. Sale of Bonds. The bid of the Purchaser for the purchase price set forth in the Proposal (as modified on the Bid Tabulation) be and it hereby is accepted and the City Manager and City Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer until the closing of the bond issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 11. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. Such amount (if any) as is necessary to make the amount currently on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. An amount sufficient to provide for the payment of the 2000 Bonds shall be deposited in a special account for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 12. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 13. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption

has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for.

Section 14. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 11 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wis. Stats., until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations").

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 15. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 12, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 16. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York, the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 17. Persons Treated as Owners; Transfer of Bonds. The City Clerk shall keep books for the registration and for the transfer of the Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the City Manager and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity, and the City Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The City Clerk shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the City Manager and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

The fifteenth day of each calendar month next preceding each interest payment date shall be the record dates for the Bonds. Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the corresponding record date.

Section 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the 2000 Bonds and their ownership, management and use will not cause the Bonds or the 2000 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to Section 265 of the Code relating to

the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 20. Redemption of the 2000 Bonds. The 2000 Bonds maturing in the years 2011 through 2015 are hereby called for prior payment and redemption on October 1, 2010 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Baird to cause timely notice of redemption, in substantially the form attached hereto as Exhibit F and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Section 21. Official Statement. The City Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" for purposes of SEC Rule 15c2-12. All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and addenda to it or Final Official Statement are hereby ratified and approved. In connection with the closing for the Bonds, the appropriate City official shall certify the Preliminary Official Statement and addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and addenda or Final Official Statement to be distributed to the Purchaser of the Bonds.

Section 22. Undertaking to Provide Continuing Disclosure. The City covenants and agrees, for the benefit of the holders of the Bonds, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the holders of the Bonds or by the original purchaser(s) of the Bonds on behalf of such holders (provided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 23. Records. The City Clerk shall provide and keep a separate record book and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds.

Section 24. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The City Manager and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the City Manager and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, appropriate

reference to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 25. Closing. The City Manager and City Clerk are hereby authorized and directed to execute and deliver the Bonds to the Purchaser thereof upon receipt of the purchase price. The City Manager and City Clerk may execute the Bonds by manual or facsimile signature, but, unless the City has contracted with the Fiscal Agent to authenticate the Bonds, at least one of said officers shall sign the Bonds manually.

The officers of the City hereby are directed and authorized to take all necessary steps to close the bond issue as soon as practicable hereafter, in accordance with the terms of sale thereof, and said officers are hereby authorized and directed to execute and deliver such documents, certificates and acknowledgments as may be necessary or convenient in accordance therewith.

Section 26. Conflicting Ordinances or Resolutions. All ordinances and resolutions or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Resolution introduced by Councilmember Olsen, who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Stewart, NOES: None. ABSENT: Kienbaum. Adopted and approved August 17, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

APPROVING DEVELOPMENT AGREEMENT BETWEEN CITY OF WHITEWATER AND WAL-MART. Plan Commission has approved this development (with conditions concerning parking). The traffic analysis indicated that no street signalization is needed at this time and Walmart would pay a portion of costs in the future if this was needed.

**RESOLUTION APPROVING DEVELOPMENT AGREEMENT
FOR WAL-MART REDEVELOPMENT LOCATED AT 1362
WEST MAIN STREET, WHITEWATER, WISCONSIN**

WHEREAS, Wal-Mart Real Estate Business Trust, hereinafter “Wal-Mart”, proposes to expand its 70,655-square-foot department store located at 1362 West Main Street, Whitewater, Wisconsin 53190, into an approximately 99,039-square-foot Wal-Mart Supercenter with related parking and improvements; and

WHEREAS, Wal-Mart’s plans for the project have been submitted to and reviewed by the City staff and on August 2, 2010, the City Plan and Architectural Review Commission approved a conditional use permit for the proposed building addition of more than 20,000 square feet, with a condition of approval being that the City of Whitewater and Wal-Mart enter into a valid Development Agreement concerning the project; and

WHEREAS, the City of Whitewater supports orderly development of the community in accordance with adopted City plans and policies and the efficient provision of municipal services to serve developments; and

WHEREAS, the City and Wal-Mart have negotiated a Development Agreement to establish responsibilities concerning the development; and

WHEREAS, the Common Council finds that the attached Development Agreement is consistent with the requirements of Title 19 and other City ordinances and the City’s

Comprehensive Plan, and that the Development Agreement will promote the health, safety and general welfare of the City.

Now, therefore, **BE IT RESOLVED** that the Common Council of the City of Whitewater hereby authorizes and directs the City Manager and the City Clerk to execute the Development Agreement on behalf of the City of Whitewater.

Resolution introduced by Councilmember Olsen, who moved its adoption. Seconded by Councilmember Winship. AYES: Olsen, Winship, Binnie, Singer, Stewart, NOES: None. ABSENT: Kienbaum. ADOPTED: August 17, 2010

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

SUPPORTING THE ENFORCEMENT OF MUNICIPAL ORDINANCES 12.24.020 (APPROVED TREES), 12.24.030 (TREE TRIMMING AND REMOVAL BY CITY) AND 12.24.040 (DANGEROUS OR DISEASED TREES A NUISANCE). Binnie stated that the more he has learned about this resolution the less comfortable he is about it as it is presented. Olsen indicated that there is a safety issue in large part concerning trimming trees and bushes in the City right-of-way. There was further discussion concerning whether this additional resolution is needed. Several residents spoke in favor of rescinding the Resolution and referring this matter to the Urban Forestry Commission. It was moved by Councilmember Binnie and seconded by Councilmember Winship moved to rescind the action taken at the August 3, 2010 meeting relating to enforcement of the ordinance related to trees, and to refer the issue to the Urban Forestry Commission for their recommendation. AYES: Olsen, Winship, Binnie, Singer, Stewart, NOES: None. ABSENT: Kienbaum.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

ORDINANCE AMENDING CHAPTER 1.12.010 “VOTING PLACES”. Singer introduced the amendment by stating that the Municipal Code language does not include other polling places than the Armory and needs to be changed for the purpose of consistency.

**FIRST READING OF ORDINANCE AMENDING SECTION 1.12.010
VOTING PLACES**

The Common Council of the City of Whitewater, Walworth and Jefferson Counties, do hereby ordain as follows:

Section 1. Whitewater Municipal Code Chapter 1.12, Section 1.12.010 is hereby amended to read as follows:

1.12.010 Voting places.

Electors in all wards shall vote in the city armory unless the Common Council designates

a different voting place by ordinance or resolution.

Ordinance introduced by Councilmember Olsen. Seconded by Councilmember Winship. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum. FIRST READING APPROVED: August 17, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

ADOPTING WHITEWATER TRANSPARENCY ENHANCEMENT ORDINANCE.

Councilmember Singer stated that he had requests from several people who had ideas about making the government in the City more open and transparent to citizens. He presented the highlights of the proposed ordinance. Stewart suggested that this ordinance should be considered in conjunction with the budget, particularly for the audio and video recording of meetings. Cable Coordinator Luckett agreed, stating that in addition to staff time, another possible cost would be upgrading the website so that there is more room for these recordings. Initially, an Ordinance concerning Whitewater Government Transparency Enhancement was introduced by Councilmember Singer and Seconded by Councilmember Binnie. It was moved by Councilmember Winship to have the ordinance tabled until the second meeting in September. The motion was seconded by Councilmember Stewart. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

SECOND READING OF ORDINANCE CREATING CHAPTER 11.08.125 ENTITLED "SPEED LIMIT IN ALLEYS".

**AN ORDINANCE CREATING WHITEWATER MUNICIPAL CODE
SECTION 11.08.125
ENTITLED SPEED LIMIT IN ALLEYS**

The Common Council of the City of Whitewater, Walworth and Jefferson Counties, Wisconsin, do hereby ordain as follows:

SECTION 1: Whitewater Municipal Code Chapter 11.08, Section 11.08.125 Speed Limit in Alleys is hereby created to read as follows:

11.08.125 Speed Limit in Alleys.

The speed limit in all alleys in the City of Whitewater shall be ten (10) miles per hour effective upon the posting of signage to that effect in the alley.

SECTION 2: This ordinance shall take effect upon passage and publication as provided by law.

Ordinance introduced by Councilmember Olsen, who moved its adoption. Seconded by Councilmember Binnie. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum. SECOND READING APPROVED: August 17, 2010.

Kevin M. Brunner, City Manager

Michele R. Smith, City Clerk

PRESENTATION OF 20-YEAR FINANCIAL TREND ANALYSIS AND FIVE-YEAR BUDGET PROJECTIONS & DISCUSSION. City Manager Intern, Steven Jansen, introduced the Financial Trend Analysis and gave a presentation on the main points of the document. Brunner gave a Power Point presentation of the Five-Year Budget Projection to Council. There will be a special council meeting on August 31st to discuss city budget.

DISCUSSION AND DIRECTION REGARDING PROPOSED 2010-2017 CITY CAPITAL IMPROVEMENT PLAN (“CIP”) AND PROPOSED FINANCING PACKAGE. City Manager Brunner discussed the changes in the CIP since it was presented to Council the previous month. The road improvement schedule has changed. Brunner discussed the leveling of the City’s debt and compensating for the decrease in money from LS Power over the next several years. Doug Saubert, Finance Director, gave further information on planned borrowing. The borrowing assumes that all projects in the CIP will be passed in the years for which they are planned. It was moved by Councilmember Binnie to proceed with planning for a \$2.120 million in borrowing of GO Bonds. The motion was seconded by Councilmember Olsen. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

AWARD OF BID TO BADGER METER COMPANY OF MILWAUKEE FOR PURCHASE AND INSTALLATION OF AN AUTOMATIC METER READING SYSTEM. Brunner stated that \$700,000 will need to be borrowed for an automatic meter reading system that will greatly reduce the amount of time (1,200 staff hours per year) staff members must go throughout the City to read meters. Water Superintendent Rick Lien stated that if approved, plans are to start on January 1, 2011. Two types of systems were considered, but Badger Meter was recommended based on price. In addition to saving staff time, the new system will allow the City to detect leaks much faster. It was moved by Councilmember Olsen to approve the Automatic Meter Reading system from Badger Meter Company. The motion was seconded by Councilmember Winship. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

APPOINTMENT OF CITIZEN MEMBER TO URBAN FORESTRY COMMITTEE. Councilmember Singer nominated Karen McCulloch for appointment as citizen member to the Urban Forestry Committee. The motion was seconded by Councilmember Olsen. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

APPROVAL OF CONTRACT WITH STRAND ASSOCIATES TO DEVELOP PLANS & SPECIFICATIONS FOR BIOGAS USE PROJECT. Tim Reel described the project as utilizing the biogas that is produced as part of the wastewater process. The department will also bring in more waste from outside the city in order to provide more gas for use at the plant. The \$750,000 cost may be decreased by the possibility of a Focus Grant of \$50,000, and a federal government grant which would cover 10% of cost. The Focus Grant has already been applied for and the federal grant needs to be applied for by November 1. Borrowing for this wastewater project would be through clean water fund. Savings will offset debt service over the span of six years. It was moved by Councilmember Winship to approve the contract with Strand Associates to develop plans and specifications for the biogas use project. The motion was seconded by

Councilmember Olsen. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

APPROVAL OF 2010 WATERFOWL HUNTING PROGRAM. Park & Recreation Director Amundson indicated that the Park and Recreation Board has recommended that the City continue to allow hunting of geese within the City as it desirable to decrease the goose population in several areas of the City. It was moved by Councilmember Olsen to approve the 2010 Waterfowl Hunting Program. The motion was seconded by Councilmember Stewart. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

STAFF DEVELOP/REPORT TO COUNCIL BY 11/1/11 ON INTERNET STREAMING VIDEO FOR COMMUNITY ROOM. It was moved by Councilmember Singer to direct staff to report to Council regarding the feasibility and cost of internet streaming video for the Community Room. The motion was seconded by Councilmember Binnie. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

STAFF DEVELOP/REPORT SOCIAL NETWORKING USAGE POLICY (FB/TWITTER/ETC.) BY DECEMBER 1, 2010. IT Superintendent Tim Nobling stated that there is currently no policy in place for social networking within the City. This not only includes Twitter and Facebook, but includes services that can be provided to citizens such as a community calendar, message boards or other web-based services. It was moved by Councilmember Singer to direct staff to develop and report on a social networking usage policy by December 1, 2010. The motion was seconded by Councilmember Olsen. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum.

COUNCILMEMBER REQUESTS FOR FUTURE AGENDA ITEMS. Singer requested a concept discussion looking at building permits and permitting structure, looking at possible bulk cost reduction for permits, a single price for permits for all building to take place in a given year, and the possibility of a permit holiday for a year in TIF #4. Olsen requested that there be a consideration of building sidewalks on the west side of the City from Indian Mound Parkway to the middle school and high school.

APPOINTMENT OF COUNCILMEMBER TO FILL VACANT ALDERMANIC DISTRICT 2 SEAT. Due to the resignation of Councilmember Max Taylor, letters of interest to serve (until next April election) were solicited from Aldermanic District 2 residents. Residents Christopher Nonn and Javonni Butler expressed interest. Both applicants were afforded an opportunity to speak. It was moved by Councilmember Stewart to appoint Javonni Butler to the vacant Aldermanic District 2 Councilmember seat. The motion was seconded by Councilmember Winship. AYES: Winship, Binnie, Singer, Stewart, Olsen. NOES: None. ABSENT: Kienbaum. After the vote Councilmember Butler was sworn in by City Clerk Michele Smith.

ADJOURN. It was moved by Olsen and seconded by Winship to adjourn the meeting. AYES: Olsen, Stewart, Winship, Binnie, Singer. NOES: None. ABSENT: Kienbaum. The meeting adjourned at 8:55 p.m.

Respectfully Submitted,

Michele Smith
City Clerk