

RESOLUTION NO. 04-12-16-01

RESOLUTION SUPPLEMENTING RESOLUTION NO. 1-26-93-1;
AUTHORIZING THE ISSUANCE AND SALE OF
\$1,000,000 WATER AND ELECTRIC SYSTEM REVENUE BONDS, SERIES 2016;
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Waupun, Dodge and Fond du Lac Counties, Wisconsin (the "Municipality" or "City") owns and operates a water and electric system (the "System") which is operated for a public purpose as a public utility by the Municipality;

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes (the "Act"), any municipality may, by action of its governing body, provide for the purchasing, acquiring, constructing, extending, adding to, improving, conducting, controlling, operating and managing a public utility or for the purpose of refunding outstanding municipal obligations issued for the above purposes ("System Costs") from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees ("Revenue Bonds");

WHEREAS, the Municipality has heretofore issued Water and Electric System Revenue Bonds, dated March 1, 1993 (the "1993 Bonds") pursuant to Resolution No. 1-26-93-1 adopted on January 26, 1993 (the "Bond Resolution"), which 1993 Bonds are no longer outstanding;

WHEREAS, the Municipality has also heretofore issued and has outstanding the Water and Electric System Refunding Revenue Bonds, Series 2014, dated August 1, 2014 (the "Prior Bonds") pursuant to Resolution No. 07-08-14-01 adopted on July 8, 2014 (the "Prior Resolution"), which Revenue Bonds were issued to pay System Costs and are payable from the income and revenues of the System;

WHEREAS, the City has determined that certain additions, improvements and extensions to the System (the "Project") are necessary to adequately supply the needs of the City and the residents thereof;

WHEREAS, it is necessary, desirable and in the best interests of the City 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, Wisconsin Statutes on a parity with the Prior Bonds;

WHEREAS, other than the Prior Bonds, no bonds or notes payable from the revenues of the System are now outstanding; and

WHEREAS, the Common Council now deems it to be necessary, desirable and in the best interest of the Municipality to supplement the Bond Resolution, as amended by the Prior Resolution, to provide for the issuance and sale of \$1,000,000 Water and Electric System Revenue Bonds, Series 2016 (the "Bonds") and to award the sale of such Bonds to First Merit Bank, National Association (the "Purchaser").

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

Section 1(a). Definitions. The definitions in the Bond Resolution, as amended by the Prior Resolution, apply to and are incorporated into this Resolution except as expressly amended below or unless the context expressly or by necessary implication requires otherwise. References in the Bond Resolution, as amended by the Prior Resolution, to "Bonds" and "Additional Bonds" shall apply to the Bonds being issued pursuant to this Resolution. All references to specific sections in the Bond Resolution, as amended by the Prior Resolution, also apply to the Bonds being issued pursuant to this Resolution unless otherwise amended herein.

Section 1(b). Additional and/or Amended Definitions. In addition to and/or in amendment of the terms defined in subsection (a) hereof, the following terms shall have the following meanings in this Resolution unless the context expressly or by implication requires otherwise:

"Annual Debt Service Requirement" means the total amount of principal and interest due on the Prior Bonds, the Bonds and any Parity Bonds in any Bond Year whether at maturity or pursuant to mandatory redemption thereof;

"Bonds" means the \$1,000,000 Water and Electric System Revenue Bonds, Series 2016 of the Municipality dated the date of issuance, authorized to be issued by this Resolution;

"Bond Resolution" means Resolution No. 1-26-93-1 adopted by the Common Council on January 26, 1993, which authorized the 1993 Bonds;

"Bulk Power Supply Engineer" means a nationally recognized engineer, or firm of engineers selected by the Municipality and which has skill and expertise in the field of bulk power supply planning;

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

"Credit Obligation" means any obligation of the Municipality under a contract, lease, installment sales agreement or other instrument, including but not limited to any contract entered into with a municipal electric company pursuant to Section 66.0825(8), Wis. Stats., to make payments for property, services or commodities for the benefit or use of the electric utility portion of the System whether or not the same are made available, furnished or received, or any other obligation of the Municipality, under which the Municipality lends credit to or guarantees debts, claims or other obligations of any other person or entity for the purpose of obtaining property, services or commodities for the electric utility portion of the System or for the purpose of financing the initial costs of any project of any other person or entity from which property, services or commodities are intended to be obtained for the benefit or use of the electric utility portion of the System but only to the extent such obligation requires payment directly or indirectly from a designated fund or account provided for under this Resolution;

"Current 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 shall exclude depreciation, debt service, tax equivalents,

replacements and capital expenditures. In the case of the electric utility portion of the System, Current Expenses shall include, without intent to limit the foregoing, all costs of purchasing, producing and delivering electric power and energy and specifically fuel costs, costs of transmission service, reserve service, interchange service, and all other costs of purchased power, including obligations under the Power Supply Contract between the Municipality and WPPI, and all payments required by Credit Obligations;

"Electric Utility" means the municipal electric utility which the Municipality owns and operates as part of the System;

"Parity Bonds" means any additional bonds issued pursuant to the Act and Section 9 of the Bond Resolution;

"Prior Bonds" means the Water and Electric System Refunding Revenue Bonds, Series 2014, dated August 1, 2014;

"Prior Resolution" means Resolution No. 07-08-14-01 adopted on July 8, 2014;

"Power Supply Contract" means the Long Term Power Supply Contract for Participating Members between the Municipality and WPPI and entered into under Section 66.0825(8), Wis. Stats.;

"Regulations" means the Regulations of the Commissioner of Internal Revenue Service;

"Reserve Requirement" means \$0 for the Prior Bonds and the Bonds. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be 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 and Regulations; (b) the maximum annual debt service on 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; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any Bond Year; and

"WPPI" means WPPI Energy, a municipal electric company organized under Section 66.0825, Wis. Stats.

Section 2. Authorization of Bonds. For the purpose of paying the cost of the Project, the City shall borrow on the credit of the income and revenue of the System the sum of \$1,000,000. 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 "Water and Electric System Revenue Bonds, Series 2016", shall be numbered from R-1 upward and shall be dated April 14, 2016. The Bonds shall bear interest at the rate of 2.43% per annum, and shall mature on March 1, 2026. The Bonds shall be subject to mandatory redemption on March 1 of each year, in the years and principal amounts as set forth on the Debt Service Schedule attached hereto as Exhibit A and incorporated herein by this reference (the "Schedule").

Interest on the Bonds shall be payable on March 1 and September 1 of each year, commencing September 1, 2016. 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 maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

Section 3. Optional Redemption Provision. The Bonds shall be subject to redemption prior to maturity, at the option of the City, on March 1, 2020 or on any date thereafter. Said Bonds shall be redeemable as a whole or from time to time in part, at the principal amount thereof, plus accrued interest to the date of redemption. In the case of redemption in part, the principal amount of Bonds subject to mandatory redemption each year shall be reduced as determined by the City.

Section 4. Form of Bond. The Bonds shall be registered in the name of the Purchaser and shall be in the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund created and established pursuant to the Bond Resolution, as amended and supplemented by the Prior Resolution and this Resolution, and shall be a valid claim of any holder thereof only against said Special Redemption Fund and the revenues of the System pledged to such fund. Sufficient revenues have been heretofore pledged to said Special Redemption Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and any Parity Bonds as the same becomes due. It is the express intent and determination of the Common Council that the amount of revenues to be set aside in the Special Redemption Fund (including the Reserve Account) shall be sufficient in any event to pay the principal of and interest on the Bonds and any Parity Bonds and to provide any amounts required to be paid into the Reserve Account to maintain the Reserve Requirement.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Prior Bonds, the Bonds and any Parity Bonds, certain funds of the System have been created and established pursuant to Section 6 of the Bond Resolution which shall be used solely for the purposes set forth in the Bond Resolution, as amended and supplemented in the Prior Resolution, as amended and supplemented as follows:

Subpart (ii) of Subparagraph (c) of Section 6 of the Bond Resolution is hereby amended and supplemented to read as follows:

(ii) No amount is required to be on deposit in the Reserve Account with respect to the Water and Electric System Refunding Revenue Bonds, Series 2014, dated August 1, 2014 or the Water and Electric System Revenue Bonds, Series 2016, dated April 14, 2016. Any moneys in the Reserve Account shall be invested and such income retained in the Reserve Account, until the amount on deposit shall equal the Reserve Requirement. The Reserve Account shall be used

solely for the purpose of paying principal of or interest on any Parity Bonds secured by the Reserve Account at any time when there shall be insufficient money in the Interest and Principal Account. The Reserve Account shall be replenished in the manner specified in Section 7 hereof.

Section 7. Application of Revenues. After the delivery of the Bonds and any Parity Bonds, the entire gross earnings of the System have been and will continue to be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed in the Bond Resolution, as amended and supplemented by the Prior Resolution and this Resolution, in the order of priority and in the manner set forth in the Bond Resolution, as amended and supplemented by the Prior Resolution and this Resolution.

Section 7(d) of the Bond Resolution is hereby amended and supplemented to read as follows:

(d) to the Depreciation Fund such amount as is necessary to make the amount on deposit in the Depreciation Fund equal to \$200,000; any money on deposit in the Depreciation Fund in excess of \$200,000 (or such larger amount as may hereafter and from time to time be established by the Governing Body), and not required during the current Fiscal Year for the purposes of said fund, may be transferred to the Surplus Fund; and,

Section 8. Service to the Municipality. As stated in the Bond Resolution, the reasonable cost and value of services rendered to the Municipality by the System by furnishing water and electric service for public purposes, shall be charged against the Municipality and shall be paid by it in quarterly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System, and out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The Bond Resolution, as amended and supplemented, provides that the reasonable cost and value of such service to the Municipality in any year shall be in an amount which, together with the other revenues of the System, will produce earnings equivalent to not less than 1.25 times annual principal and interest requirements on the Prior Bonds, the Bonds and any Parity Bonds then outstanding after deduction of all operation and maintenance expenses of the System but before deduction of depreciation charges or local tax equivalents. All other provisions of Section 8 of the Bond Resolution still apply and are incorporated into this Section 8.

Section 8B. Credit Obligations.

(a) To the extent permitted by law, the Municipality may undertake any Credit Obligation which directly or indirectly requires payments from the Water and Electric System Operation and Maintenance Fund, but only if it shall first obtain an opinion of a Bulk Power Supply Engineer to the effect that: (i) the property, services or commodities to be furnished pursuant to such Credit Obligation may be used beneficially by the Municipality to meet the power and energy requirements of the electric utility portion of the System; and (ii) the obtaining of such property, services or commodities is technically and economically justifiable in accordance with prudent municipal utility management practice.

(b) To the extent permitted by law, the Municipality may undertake any Credit Obligation that directly or indirectly requires payments from the Water and Electric System Surplus Fund, subject to any prior use of such monies for the benefit of the Bonds pursuant to Section 7 of the Bond Resolution, without meeting the requirements of subsection (a).

(c) The Bulk Power Supply Engineer may, in making all estimates required to be made or necessary to render any opinion required under this Section, rely upon estimates supplied by other engineers or information supplied by other persons, including an authorized representative of the Municipality, who the Bulk Power Supply Engineer believes to be qualified and to have access to the necessary information to make such estimates and to provide such information.

Section 9. Application of Bond Proceeds. The proceeds of the sale of the Bonds (including any premium and accrued interest from their date to the date of delivery) shall be deposited and applied as follows:

(a) to the Interest and Principal Account of the Special Redemption Fund, the amount of any accrued interest received from the sale of the Bonds; and

(b) to the Improvement Fund, a special fund hereby created and established, the balance of the proceeds of the Bonds. Said Improvement Fund shall be adequately secured and shall be used solely for the purpose of meeting costs of the Project (including paying legal, financing and other professional fees). Any balance remaining in said Improvement Fund after paying the costs of the Project shall be transferred to the Special Redemption Fund for use in payment of principal of or interest on the Prior Bonds, the Bonds and any Parity Bonds.

Section 10. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 6 and 9 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), Wisconsin Statutes, 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 and Parity 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 Municipality 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.

An officer of the Municipality, 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 11. Compliance with Federal Tax Laws. (a) The Municipality represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The Municipality 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 Municipality 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 the Bonds to be arbitrage bonds 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 Municipality charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the Municipality certifying that the Municipality can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The Municipality 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 Municipality 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.

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

Section 12. 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 13. Representations and Warranties. In addition to the covenants of the Municipality provided in Section 10 of the Bond Resolution, the Municipality represents to the Purchaser as follows:

(a) Organization, Standing, Etc. The Municipality is a municipal corporation and political subdivision duly incorporated and validly existing under the laws of Wisconsin and has all requisite corporate power and authority, and requisite corporate qualifications, to carry on its business as now conducted, to adopt this Resolution and to issue the Bonds and to perform its obligations under this Resolution.

(b) Authorization and Validity. The execution, delivery and performance by the Municipality of the Bonds has been duly authorized by all necessary corporate action by the Municipality, and the Bonds constitutes legal, valid and binding obligations of the Municipality, enforceable against the Municipality in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

(c) **No Conflict; No Default.** The execution, delivery and performance by the Municipality of its obligations under the Bonds and this Resolution will not (a) violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to the Municipality, (b) violate or contravene any provisions of the organizational documents of the Municipality, or (c) result in a breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which the Municipality is a party or by which it or any of its properties may be bound. The Municipality is not in violation or breach of any other agreement of any type (a) with the Purchaser or (b) of any third party obligation in excess of \$10,000.

(d) **Government Consent.** No further order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority is required on the part of the Municipality to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of the Bonds.

(e) **Litigation and Contingent Liabilities.** There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Municipality, threatened against or affecting the Municipality wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of this Resolution or the Bonds, (ii) the status of the Municipality as a municipal corporation, body politic and corporate of the State, or (iii) the Municipality's property, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations under this Resolution or under the Bonds.

Section 14. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in typewritten or printed form, executed on behalf of the Municipality by the manual or facsimile signatures of the Mayor and the City Clerk, authenticated by its Fiscal Agent (defined below), if required, sealed with its official or corporate seal or a facsimile thereof, and delivered to the Purchaser. 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 office but, unless the Municipality 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 delivery of the Bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing. The Municipality hereby authorizes the officers and agents of the Municipality 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 15. Payment of the Bond; Fiscal Agent. Unless another fiscal agent is appointed pursuant to Section 14 hereof, the principal of and interest on the Bonds shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 16. Persons Treated as Owners; Transfer of Bond. The Municipality 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 Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond 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.

As a condition of such transfer, the transferor shall submit to the Fiscal Agent an investment letter of the transferee substantially in the form attached hereto as Exhibit C.

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

Section 17. 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 Municipality at the close of business on the Record Date.


Section 18. Resolution a Contract. The provisions of this Resolution, together with the Bond Resolution as amended by the Prior Resolution, shall constitute a contract between the Municipality and the owner or owners of the Bonds, and any Parity 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 14 of the Bond Resolution, until all of the Bonds and any Parity Bonds have been paid in full as to both principal and interest. The holder or holders of any Bonds or any Parity 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 his or their rights against the Municipality, the Common Council thereof, and any and all officers and agents thereof, including, but without limitation, the right to require the Municipality, its Common Council and 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 and the Bond Resolution as amended by the Prior Resolution.

Section 19. Continuing Disclosure. The continuing disclosure requirements of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 are not applicable to the Bonds because the Purchaser will not act as an underwriter in a primary offering of the Bonds. The Municipality agrees to provide the audited financial statements of the System directly to the Purchaser on an annual basis.

Section 20. Ratification of Bond Resolution. Except as expressly amended and supplemented by the provisions of the Prior Resolution and this Resolution, the provisions of the Bond Resolution shall remain in full force and effect.

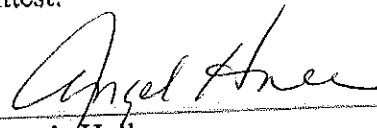
Section 21. Conflicting Resolutions, Resolutions, Severability, Closing and Effective Date. All prior resolutions (other than the Bond Resolution and Prior Resolution), rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be and the same are hereby rescinded insofar as they 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 appropriate officers and agents of the Municipality are hereby directed and authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the closing of this transaction. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted and recorded this 12th day of April, 2016.



Kyle J. Clark
Mayor

Attest:



Angela Hull
City Clerk

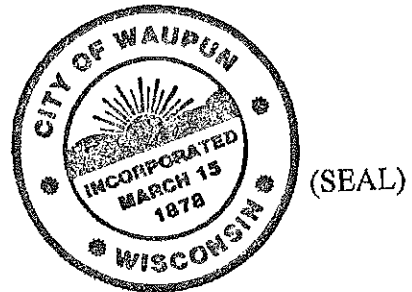


EXHIBIT A

Debt Service Schedule

To be provided by First Merit Bank, National Association and incorporated into the Resolution.

(See Attached)

LOAN

RATE

2.43% LEVEL DS

\$ 113,523.24 TERM

118.5 mos

Interest	Principal	Total DS	Annual	Ending Principal
\$ -	\$ -	\$ -		\$ 1,000,000.00
\$ 9,247.50	\$ -	\$ 9,247.50		\$ 1,000,000.00
\$ 12,150.00	\$ 92,125.74	\$ 104,275.74	\$ 113,523.24	\$ 907,874.26
\$ 11,030.67	\$ -	\$ 11,030.67		\$ 907,874.26
\$ 11,030.67	\$ 91,461.90	\$ 102,492.57	\$ 113,523.24	\$ 816,412.36
\$ 9,919.41	\$ -	\$ 9,919.41		\$ 816,412.36
\$ 9,919.41	\$ 93,684.42	\$ 103,603.83	\$ 113,523.24	\$ 722,727.94
\$ 8,781.14	\$ -	\$ 8,781.14		\$ 722,727.94
\$ 8,781.14	\$ 95,960.95	\$ 104,742.10	\$ 113,523.24	\$ 626,766.99
\$ 7,615.22	\$ -	\$ 7,615.22		\$ 626,766.99
\$ 7,615.22	\$ 98,292.80	\$ 105,908.02	\$ 113,523.24	\$ 528,474.19
\$ 6,420.96	\$ -	\$ 6,420.96		\$ 528,474.19
\$ 6,420.96	\$ 100,681.32	\$ 107,102.28	\$ 113,523.24	\$ 427,792.87
\$ 5,197.68	\$ -	\$ 5,197.68		\$ 427,792.87
\$ 5,197.68	\$ 103,127.87	\$ 108,325.56	\$ 113,523.24	\$ 324,665.00
\$ 3,944.68	\$ -	\$ 3,944.68		\$ 324,665.00
\$ 3,944.68	\$ 105,633.88	\$ 109,578.56	\$ 113,523.24	\$ 219,031.12
\$ 2,661.23	\$ -	\$ 2,661.23		\$ 219,031.12
\$ 2,661.23	\$ 108,200.78	\$ 110,862.01	\$ 113,523.24	\$ 110,830.34
\$ 1,346.59	\$ -	\$ 1,346.59		\$ 110,830.34
\$ 1,346.59	\$ 110,830.34	\$ 112,176.93	\$ 113,523.52	\$ (0.00)
	\$ 1,000,000			

EXHIBIT B

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
DODGE AND FOND DU LAC COUNTIES \$ _____
NO. R- _____ CITY OF WAUPUN
WATER AND ELECTRIC SYSTEM REVENUE BOND, SERIES 2016

MATURITY DATE	ORIGINAL DATE OF ISSUE	INTEREST RATE
March 1, 2026	April 14, 2016	2.43%

REGISTERED OWNER: FIRST MERIT BANK, NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

FOR VALUE RECEIVED, the City of Waupun, Dodge and Fond du Lac Counties, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the registered owner identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2016 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Principal and interest payable on any payment date (except the last) shall be paid by wire transfer to the person or entity in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the payment date (the "Record Date"). The final payment of principal of and interest on this Bond is payable upon presentation and surrender hereof at the office of the Fiscal Agent.

This Bond is one of an issue aggregating \$1,000,000, issued for the purpose of paying the cost of additions, improvements and extensions to the Water and Electric System of the City pursuant to (i) Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto; (ii) a Resolution adopted January 26, 1993 (the "Bond Resolution"); and (iii) a Resolution adopted April 12, 2016 (the "2016 Resolution"), which

supplements and amends the Bond Resolution. This Bond is payable only from the income and revenues derived from the operation of said Water and Electric System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by the Bond Resolution, as amended and supplemented, and the 2016 Resolution. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

This Bond is subject to mandatory redemption as provided in the 2016 Resolution and as set forth on Schedule I attached hereto at the redemption price of par plus accrued interest to the date of redemption and without premium.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable, as provided in the 2016 Resolution, only upon the books of the City kept for that purpose at the office of the Fiscal Agent, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new registered owner in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bond after the Record Date. The Fiscal Agent and City may treat and consider the registered owner in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bond is issuable solely as a negotiable, fully-registered Bond without coupons.

It is hereby certified, recited and declared that all conditions, things and acts required by law to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said City from the operation of its Water and Electric System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the City of Waupun, Dodge and Fond du Lac Counties, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF WAUPUN,
DODGE AND FOND DU LAC
COUNTIES, WISCONSIN

By: _____
Kyle J. Clark
Mayor

(SEAL)

By: _____
Angela Hull
City Clerk

COPY

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

COPY

(Registered Owner)

NOTICE: This signature must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular; without alteration or enlargement or any change whatever.

(Authorized Officer)

SCHEDULE I

Mandatory Redemption Schedule

<u>Payment Date</u>	<u>Amount</u>
03/01/2017	\$
03/01/2018	
03/01/2019	
03/01/2020	
03/01/2021	
03/01/2022	
03/01/2023	
03/01/2024	
03/01/2025	
03/01/2026	(maturity)

COPY

EXHIBIT C

[Date]

City of Waupun, Wisconsin
\$ _____
Water and Electric System Revenue Bond, Series 2016

Ladies and Gentlemen:

_____ ("Bank") has agreed to purchase the above-referenced bond (the "Bond") in the amount of \$ _____ which is to be issued by City of Waupun, Wisconsin (the "Municipality") pursuant to the resolution of the Municipality adopted April 12, 2016 (the "Resolution"). All capitalized terms used herein, but not defined herein, shall have the respective meanings set forth in the Resolution. The undersigned, an authorized representative of the Bank, hereby represents to you that:

1. The Bank has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bond.
2. The Bank has authority to purchase the Bond and to execute this letter.
3. The undersigned is a duly appointed, qualified and acting representative of the Bank and is authorized to cause the Bank to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Bank.
4. The Bank is either a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act"), or an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of such investment.
5. The Bank understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bond. The Bank has made its own inquiry and analysis with respect to the Municipality, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond.
6. The Bank acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Municipality, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Municipality, the Bond and the

security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bond.

7. The Bank understands that the Bond (i) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) is not listed on any stock or other securities exchange, and (iii) carries no rating from any credit rating agency.

8. The Bond is being acquired by the Bank for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Bank reserves the right to sell, transfer or redistribute the Bond, but agrees that any such sale, transfer or distribution by the Bank shall be to a Person:

- (a) that is an affiliate of the Bank;
- (b) that is a trust or other custodial arrangement established by the Bank or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors;
- (c) that the Bank reasonably believes to be a qualified institutional buyer or accredited investor; or
- (d) so long as the Bond is not held in a book-entry system operated for the beneficial owners of the Bond, who executes an investor letter substantially in the form of this letter.

BANK NAME

By _____
Name _____
Title _____