AUTHORIZING THE ISSUANCE AND
SALE OF UP TO $485,993 GENERAL OBLIGATION
SEWERAGE SYSTEM PROMISSORY NOTES AND PROVIDING FOR OTHER
DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, Iowa County, Wisconsin (the "Municipality") owns and operates a sewerage system (the "System") which is operated for a public purpose as a public utility by the Municipality; and

WHEREAS, certain improvements to the System are necessary to meet the needs of the Municipality and the residents thereof, consisting of the construction of a project (the "Project") assigned Clean Water Fund Project No. 4045-01 by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the Plans and Specifications of the Project, or portions thereof, issued under Section 144.04 of the Wisconsin Statutes, dated March 5, 1992 and assigned No. 91-0441 by the DNR; and

WHEREAS, under the provisions of Chapter 67.12(12) of the Wisconsin Statutes, any Municipality (as defined in Section 67.01(5) of the Statutes) may, by action of its Governing Body, provide for the acquisition, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, water, properties, buildings, equipment or facilities from the proceeds of promissory notes which are general obligations of the Municipality; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell general obligation sewerage system promissory notes of the Municipality pursuant to the provisions of Section 67.12(12) of the Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, no bonds or notes payable from the revenues of the System are now outstanding

WHEREAS, other general obligation indebtedness of the Municipality is currently outstanding, and the issuance of the general obligation promissory notes authorized by this resolution will not cause the Municipality to exceed any general or special constitutional or statutory limitation of general obligation indebtedness therein.

NOW, THEREFORE, be it resolved by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

(a) "Act" means Chapter 67 of the Wisconsin Statutes;
(b) "Closing Date" means the date of closing on the Clean Water Fund Loan when the Notes are delivered to the State pursuant to the Financial Assistance Agreement;

(c) "Debt Service Fund" shall mean the Debt Service Fund of the Municipality, created by this resolution, relating to the Notes, and shall be the "debt service fund" as such term is defined in the Act;

(d) "Financial Assistance Agreement" shall mean the Financial Assistance Agreement by and between the State of Wisconsin, Department of Natural Resources and the Municipality dated as of the Closing Date, substantially in the form attached hereto and incorporated herein by reference;

(e) "Fiscal Year" means the twelve-month period ending on each December 31;

(f) "Governing Body" means the Iowa County Board, or such other body as may hereafter be the chief legislative body of the Municipality;

(g) "Municipal Treasurer" means the Treasurer of the Municipality who shall act as Note Registrar and Paying Agent;

(h) "Municipality" means Iowa County, Wisconsin;

(i) "Note Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Notes;

(j) "Notes" mean the $485,993 General Obligation Sewerage System Promissory Notes, Series 1992B of the Municipality dated as of the Closing Date, authorized to be issued by this Resolution;

(k) "Note Year" means the twelve-month period ending on each May 1;

(l) "Project" means the Project described in the preamble to this Resolution. All elements of the Project are to be owned and operated by the Municipality as part of the System as described in the Financial Assistance Agreement;

(m) "Record Date" means the close of business on the fifteenth day of the calendar month next preceding any principal or interest payment date; and

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(n) "System" means the entire sewerage system of the Municipality, specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, transmission, treatment and disposal of domestic and industrial sewerage and waste, including all improvements and extensions thereto made by the Municipality while any of the Notes remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such sewerage system and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 2. Authorization of the Notes and the Financial Assistance Agreement. For the purpose of paying the cost of the Project (including legal, fiscal, engineering and other expenses), there shall be borrowed on the full faith and credit of the Municipality up to the sum of $485,993; and fully registered general obligation promissory notes of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Clean Water Fund in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference; and the County Board Chairman and the Clerk of the Municipality are hereby authorized, by and on behalf of the Municipality, to execute the Financial Assistance Agreement.

Section 3. Terms of the Notes. The Notes shall be designated "General Obligation Sewerage Promissory Notes, Series 1992B" (the "Notes"); shall be dated as of the Closing Date; shall be numbered one and upward; shall bear interest at 3.795%; shall be issued in denominations of $0.01 or any integral multiple thereof; and shall mature on the dates and in the amounts as set forth in Exhibit C of the Financial Assistance Agreement. Interest on the Notes shall be payable semiannually on May 1 and November 1 of each year, commencing on November 1, 1992. The Notes shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

Section 4. Form, Execution, Registration and Payment of the Notes. The Notes shall be issued as registered obligations in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

The Notes shall be executed in the name of the Municipality by the manual signatures of the County Board Chairman and the Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Notes shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's registrar (the "Note Registrar").
Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America by the Note Registrar. Payment of principal of the final maturity on the Note will be payable upon presentation and surrender of the Note to the Note Registrar. Payment of principal on the Note (except the final maturity) and each installment of interest shall be made to the registered owner of each Note who shall appear on the registration books of the Municipality, maintained by the Note Registrar, on the Record Date and shall be paid by check or draft of the Municipality and mailed to such registered owner at his or its address as appears on such registration books or at such other address may be furnished in writing to such registered owner to the Note Registrar.

Section 5. **Note Proceeds.** The sale proceeds of the Notes (exclusive of accrued interest and any premium received) shall, forthwith upon receipt, be placed in and kept by the Treasurer as a separate fund to be known as the "Clean Water Fund - Project Fund" (hereinafter referred to as the "borrowed money fund", as such term is defined in the Act). Monies in the "Clean Water Fund - Project Fund" shall be used solely for the purposes for which borrowed or for transfer to the Debt Service Fund as provided by law.

Section 6. **Tax Levy.** In order to provide for the collection of a direct annual tax sufficient in amount to pay and for the express purpose of paying the interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property in the Municipality, in addition to all other taxes, a non-repealable, direct, annual tax on an amount sufficient for that purpose. This tax shall be from year to year carried into the tax roll of the Municipality and collected in addition to all other taxes and in the same manner and at the same time. This tax, based on a true interest cost rate of 3.795%, shall be in the maximum amounts as set forth in Exhibit C to the Financial Assistance Agreement or such lesser amounts as it is from time-to-time adjusted by the State based upon actual draws made by the Municipality. The amount of tax carried into the tax roll my be reduced in any year by the amount of revenues of the Municipality's wastewater sewer service charge system which are appropriated and irrevocably deposited in the Debt Service Fund for the Notes.

Section 7. **Debt Service Fund.** The proceeds of the taxes levied pursuant to Section 6 above, when collected by the Municipal Treasurer, shall be placed and kept by the Municipal Treasurer as a separate fund irrevocably pledged for paying the principal of and interest on the Notes so long as any such Notes shall remain outstanding, to be known as the General Obligation Sewerage System Promissory Notes, Series 1992B Debt Service Fund (hereinafter referred to as "Debt Service Fund"). The accrued interest and any
premium received at the time of delivery of the Notes shall be paid over to the Debt Service Fund. Interest on or principal of the Notes falling due at any time when there shall be on hand in the Debt Service Fund insufficient funds for the payment of such principal and interest shall be paid promptly when due from other funds of the Municipality.

Section 8. Deposits and Investments. The Debt Service Fund shall be kept apart from monies in the other funds and accounts of the Municipality and the same shall be used for no purpose other than the prompt payment of principal of and interest on the Notes as the same becomes due and payable. All monies therein shall be deposited in special and segregated accounts in a public depository selected under Chapter 34 of the Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.04(2) and 67.10(3) of the Wisconsin Statutes. All income derived from such investments shall be regarded as revenues of the Municipality. No such investment shall be in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder.

An officer of the Municipality 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 Notes are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder.

Section 9. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Notes, and each of them, that the Municipality will perform all of the obligations as set forth in the Financial Assistance Agreement.

Section 10. Sale of Notes. The sale of Notes to the State of Wisconsin Clean Water Fund for the purchase price of up to $485,993, and at par, is ratified and confirmed; and the officers of the Municipality are authorized and directed to do any and all acts, including executing the Financial Assistance Agreement and the Notes as hereinabove provided, necessary to conclude delivery of the Notes to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Notes shall be paid upon requisition therefor as provided in the Financial Assistance Agreement.

Section 11. Application of Note Proceeds. The proceeds of the sale of the Notes, less the expenses incurred in authorizing, issuing and delivering the Notes, shall be deposited by the Municipality into the "Clean Water Fund - Project Fund". The Clean Water Fund - Project Fund shall be used solely for the purpose of
paying the costs of the Project (including capitalized interest, if any, on the Notes) as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Clean Water Fund - Project Fund shall be disbursed within three (3) business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

Section 12. Amendment to Resolution. After the issuance of any of the Notes, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Notes have been paid in full as to both principal and interest, or discharged as herein provided, except: (a) the Municipality may, from time to time, amend this Resolution without the consent of any of the owners of the Notes, 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 a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Notes then outstanding, exclusive of Notes held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of tax revenues of the Municipality or the maturity of any Note issued hereunder, or a reduction in the rate of interest on any Note, 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 Notes 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 Note to which the change is applicable.

Section 13. Defeasance. When all Notes have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Notes due on any date 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 Notes to its maturity or, at the Municipality's option, if said Note 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 Note at maturity, or at the Municipality's option, if said Note 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 Notes on such date has been duly given or provided for.
Section 14. Rebate Fund. The Municipality shall establish and maintain, so long as the Notes are outstanding, a separate account to be known as the "Rebate Fund". The Rebate Fund is for the sole purpose of paying rebate to the United States of America, if any, on amounts of Note Proceeds held by the Municipality. The Municipality hereby covenants and agrees that it shall pay from the Rebate Fund the rebate amounts as determined herein to the United States of America.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining rebate amounts.

The rebate amounts are equal to the sum of:

(i) The excess of --

   (a) the aggregate amounts earned from the date of issuance and delivery of the Notes on all nonpurpose obligations in which gross proceeds of the Notes have been invested (other than nonpurpose obligations attributable to an excess described herein) over

   (b) the aggregate amounts which would have been earned if the yield on such nonpurpose obligations (other than nonpurpose obligations attributable to an excess described herein) had been equal to the yield on the Notes, plus

(ii) any income attributable to the excess described in clause (i) above.

The rebate amounts payable to the United States shall be determined on or prior to the end of the fifth (5th) Note Year of the Notes and the fifth (5th) anniversary of such date by the Municipality for each Note Year during which the Notes remain outstanding and upon retirement of the Notes. Such rebate amounts shall be deposited in the Rebate Fund. The rebate amounts shall be paid to the United States in installments, as follows:

(I) subject to clause (III) below, the first such installment shall be paid no later than thirty (30) days after the end of the fifth (5th) Note Year of the Notes;

(II) subject to clause (III) below, an additional installment shall be paid on or prior to the last day of each additional installment payment period during which the Notes remain outstanding. For purposes of this cause (II), an installment payment period shall commence on the last day on which a preceding installment of the rebate amount was required to be paid, and shall end on the day preceding the fifth (5th) anniversary of such payment date;
(III) anything herein to the contrary notwithstanding, the last installment shall be paid no later than thirty (30) days after the Notes have been retired; and

(IV) each installment shall be in an amount which, when aggregated with the amount of any prior installments paid to the United States hereunder, will equal at least ninety percent (90%) of the total rebate amount payable to the United States hereunder as of the date such installment is paid; provided, however, that the last installment shall be in an amount equal to the entire remaining balance of the rebate amount payable to the United States hereunder.

Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the Notes and may only be used to pay amounts to the United States.

The Municipality shall maintain or cause to be maintained records of such determinations for each Note Year until six (6) years after payment in full of the Notes and shall make such records available upon reasonable request therefor.

The Municipality hereby agrees it will disburse all monies in the Rebate Fund to the United States of America at the times and in the manner set forth in the applicable income tax regulations.

Section 15. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner or owners of the Notes, and after issuance of any of the Notes 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 Notes have been paid in full as to both principal and interest. The owner or owners of any of the Notes 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 Municipality, the Governing Body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the Municipality, its Governing Body and any other authorized body, to take any and all actions necessary to carry out all of the provisions and agreements contained in this Resolution.

Section 16. Requirements of Municipality. The officers of the Municipality, staff of the Municipality, attorneys for the Municipality, financial consultants of the Municipality, or other agents or employees of the Municipality are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the provisions of this Resolution.
Section 17. Illegal or Invalid Provisions. In case any one or more of the provisions of this Resolution or any of the Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Notes.

Section 18. Conflicting Resolutions. All ordinances, 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.

Passed: May 19, 1992
Approved: 20-Ayes 0-Noes

[Signature]
Richard M. Scullion
County Board Chairman

Attest:

[Signature]
David D. Meudt, County Clerk
EXHIBIT A
(Form of Note)

REGISTERED NO. ______ UNITED STATES OF AMERICA REGISTERED
STATE OF WISCONSIN $______
COUNTY OF IOWA

GENERAL OBLIGATION SEWERAGE SYSTEM PROMISSORY NOTE, SERIES 1992B

Final Date of
Maturity Date Original Issue
May 1, 2012 June 10, 1992

REGISTERED OWNER: STATE OF WISCONSIN CLEAN WATER FUND

KNOW ALL MEN BY THESE PRESENTS that Iowa County, Wisconsin, (the "Municipality") hereby acknowledges itself to owe and for value received promises to pay to the registered owner shown above, or registered assigns, solely from the fund hereinafter specified, the principal sum of an amount not to exceed Four-Hundred Eighty-Five Thousand Nine Hundred Ninety-Three Dollars ($485,993) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 1993 until the final maturity date written above, together with interest thereon (but only on amounts as shall have been drawn hereunder, as provided below) from the dates the amounts are drawn hereunder or the most recent payment date to which interest has been paid, at the rate of 3.795% per annum, calculated on the basis of a 360-day year made up of twelve 30-day months, such interest being payable on the first days of May and November of each year, with the first interest being payable on November 1, 1992.

The principal amount evidenced by this Series 1992B Note may be drawn upon by the Municipality in accordance with the Financial Assistance Agreement entered by and between the Municipality and the State of Wisconsin Department of Natural Resources including capitalized interest transferred. The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 1993 in an amount equal to an amount which when amortized over the remaining term of this Note plus current payments of interest (but only on amounts drawn hereunder) at Three and 795/1000ths percent (3.795%) per annum shall result in equal annual payments of the total of principal and the semiannual payments of interest. The State of Wisconsin Department of Administration shall record such draws and corresponding principal repayment schedule on a cumulative basis on the attached Exhibit A.
Both principal and interest hereon are hereby made payable to the registered owner in lawful money of the United States of America. On the final maturity date, principal of this Note shall be payable only upon presentation and surrender of this Note at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by check or draft dated as of the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Note is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date. The Notes shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Note is transferable only upon the books of the Municipality kept for that purpose at the office of the Municipal Treasurer, by the registered owner in person or its duly authorized attorney, upon surrender of this Note, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Municipal Treasurer, duly executed by the registered owner or its duly authorized attorney. Thereupon a replacement Note shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes. This Note is issuable solely as a negotiable, fully-registered note, without coupons, and in denominations of $0.01 or any integral multiple thereof.

This Note is issued for the purpose of providing for the payment of the cost of constructing improvements to the Sewerage System of the Municipality, pursuant to Article XI, Section 3 of the Wisconsin Constitution, Chapter 67, Wisconsin Statutes, and a resolution adopted on May 19, 1992, and entitled: AUTHORIZING THE ISSUANCE AND SALE OF UP TO $485,993 GENERAL OBLIGATION SEWERAGE SYSTEM PROMISSORY NOTES AND PROVIDING FOR OTHER DETAILS AND COVENANTS WITH RESPECT THERETO. The principal of and interest on this Note is payable in lawful money of the United States of America as aforesaid, and for the prompt payment of the principal and interest on this Note, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Municipality are hereby irrevocably pledged.
It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, have happened, and have been performed in due time, form and manner as required by law; that the indebtedness of the Municipality, including this Note and the issue of which it is a part, does not exceed any limitation, general or special, imposed by law; and that a valid, direct, annual irrepealable tax has been levied by the Municipality sufficient to pay the interest on this Note when it falls due and also to pay and discharge the principal hereof at maturity.

IN WITNESS WHEREOF, the Municipality has caused this Note to be signed by the signatures of its County Board Chairman and Municipal Clerk, and its corporate seal (or a true facsimile thereof) to be impressed (or imprinted) hereon, all as of the date of original issue specified above.

IOWA COUNTY, WISCONSIN

[SEAL]

By: Richard M. Scullion
County Board Chairman

Attest: David D. Meudt
County Clerk
(Form of Assignment)

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

__________________________________________________________

__________________________________________________________

(Please print or typewrite name and address, including zip code, of Assignee)

Please insert Social Security or other identifying number of Assignee

__________________________________________________________

the within Note, and all rights thereunder, hereby irrevocably constituting and appointing

__________________________________________________________

Attorney to transfer said Note on the books kept for the registration thereof with full power of substitution in the premises.

Dated: __________________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Signature(s) guaranteed by:

__________________________________________________________
EXHIBIT A TO NOTE FORM

$485,993
IOWA COUNTY, WISCONSIN
GENERAL OBLIGATION SEWERAGE SYSTEM NOTES, SERIES 1992B

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**PRINCIPAL REPAYMENT SCHEDULE**

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