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April 24, 2015

VIA EMAIL AND UPS

Mr. Keith E. Haas
General Manager
City of Racine
800 Center Street
Racine, WI 53403

Re: Bond Resolution - \$1,931,200 City of Racine Waterworks System Revenue Bonds, Series 2015 (Safe Drinking Water Loan) (the "Revenue Bonds")

Dear Mr. Haas:

Enclosed for consideration at the May 19, 2015 Common Council meeting are four copies of a **Resolution** authorizing the execution of the Financial Assistance Agreement and the issuance of the Revenue Bonds to the State of Wisconsin Safe Drinking Water Loan Program. A copy of the draft Financial Assistance Agreement provided by DNR should be distributed to the Common Council along with the Resolution.

If you have not already done so, please include the title of this Resolution on the agenda for the meeting. Please then post the agenda in at least three public places and provide it to the official newspaper of the City (or if the City has no official newspaper, to a news medium likely to give notice in the area) and to any other requesting media at least twenty-four hours prior to the meeting (see Section 19.84(1)(b), Wisconsin Statutes). The enclosed **Certificate of Compliance with Open Meeting Law** must be completed in connection with the meeting at which this Resolution is adopted.

Unless the Common Council has adopted special rules regarding the adoption of borrowing resolutions, a vote of at least a majority of the members of the Common Council is necessary to adopt this Resolution. We have enclosed an **Excerpts of Minutes** form for you to complete which records the vote on the Resolution.

Mr. Keith E. Haas
April 24, 2015
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We are also enclosing a **Municipal Information Questionnaire and Tax Matters Questionnaire**. Please review, correct, if necessary, complete and return them to us.

Please return four executed copies of the Resolution, and one copy of the Excerpts of Minutes, the Certificate of Compliance with Open Meeting Law and the Questionnaires to us by an overnight delivery service so **that we receive them no later than Thursday, May 21**. A copy of the Resolution should be incorporated into the minutes of the May 19, 2015 meeting.

Finally, we are enclosing a **Notice** regarding the adoption of the resolution authorizing the issuance and sale of the Revenue Bonds which you should provide to the City's official newspaper to be published as a class 1 notice as soon as possible after adoption of the Resolution. Please forward an Affidavit of Publication (which must be signed by a representative of the newspaper) for the Notice to us once it has been published.

If you have any questions regarding the enclosed, please do not hesitate to call me.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:TAB:meg
Enclosures
#780205.00057

cc: Mr. David L. Brown (w/enc. via email)
Mr. Kenneth M. Scolaro (w/enc. via email)
Mr. Michael Gitter (w/enc. via email)
Ms. Janice M. Johnson-Martin (w/enc. via email)
Ms. Vikki Zuehlke (w/enc. via email)
Robert K. Weber, Esq. (w/enc. via email)
Ms. Mari Mora (w/enc. via email)
Ms. Colette Broadway (w/enc. via email)
Mr. Brad Viegut (w/enc. via email)
Mr. Aaron Heintz (w/enc. via email)
Mr. Meja Maka (w/enc. via email)

**CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW PUBLIC NOTICE REQUIREMENTS**

I, _____, _____
(name) (title)

of _____
(official name of municipality)

hereby certify that:

1. **Meeting Date.** On the _____ day of _____, 20__ a
_____ meeting was held commencing
(County Board, Common Council, etc.)
at _____ o'clock ____ .m. at _____
(location)

2. **Posting.** On the _____ day of _____, 20__ at approximately
_____ o'clock ____ .m., I posted or caused to be posted a notice setting forth the time, date,
place and subject matter (including specific reference to the borrowing) of said meeting in the
following public places (attach an extra sheet if necessary):

AND/OR

Publication. The _____
(County, City, etc.)
caused a notice setting forth the time, date, place and subject matter (including specific reference
to the borrowing) of said meeting to be published on the _____ day of _____, 20__
by the following news medium or media (attach an extra sheet if necessary):

(If notice was published rather than posted, attach copy
of published notice).

3. **Notification of Media.** On the _____ day of _____, 20__ at approximately _____ o'clock __.m., I communicated or caused to be communicated, the time, date, place and subject matter (including specific reference to the borrowing) of said meeting to those news media who have filed a written request for such notice, and to the official newspaper of the _____, or, if none exists, to a news medium (County, City, etc.) likely to give notice in the area.

4. **Open Meeting Law Compliance.** Said meeting was a _____ meeting of the (regular, special, adjourned annual, etc.) _____ which was called, noticed, held and (County Board, Common Council, etc.) conducted in open session in compliance with Subchapter V of Chapter 19 of the Wisconsin Statutes and any other applicable local rules and State statutes.

Attest: _____
Name:
Title:

Name:
Title:

(SEAL)

(Note: Questions regarding this form or open meeting law compliance generally should be directed to local counsel or Quarles & Brady LLP.)

Tax Matters Questionnaire

**City of Racine, Wisconsin ("Issuer")
Waterworks System Revenue Bonds, Series 2015 ("Obligations")**

In anticipation of the Issuer's upcoming Safe Drinking Water Loan borrowing, we ask that you answer the questions below which will help us determine whether the borrowing qualifies for tax-exempt financing under the Internal Revenue Code (the "Code") and applicable Treasury Regulations (the "Regulations"). Please direct any questions to Rebecca A. Speckhard at Quarles & Brady LLP at 414-277-5761.

I. Private Activity: Subject to specific exceptions provided for in the Code, the interest on municipal obligations which finance private activities or provide special benefits to private entities is taxable. Please note that for purposes of this questionnaire, a "**Non-Governmental Entity**" means any person, partnership, corporation or other organization or entity that is not a governmental unit. The federal government and nonprofit organizations count as a non-governmental entity.

1. Description of the project(s) to be financed or refinanced with the proceeds of the Obligations: Safe Drinking Water Loan Project consisting of: Variable Frequency Drives (VFD) improvements, which includes reworking the existing motors/controls on Pumps No. 9, 10, and 11 at the Water Treatment Plant (the "Project")

YES NO

Does the above description accurately and completely describe the project(s) to be financed with proceeds of the Obligations? **If NO, please make appropriate changes in the language above.**

YES NO

2. Will any portion of the Project be owned by, sold to, or leased (or subleased) to any person or entity other than a governmental unit? **If YES, attach a description of the planned sale or lease.**

YES NO

3. Will any portion of the Issuer's Waterworks System or the Project be managed (pursuant to a management contract or incentive payment contract) by a Non-Governmental Entity? **If YES, attach a copy of the operating or management contract.**

YES NO

4. Will any Non-Governmental Entity have a right to use the Waterworks System or Project or purchase output from the Waterworks System or Project through any procedure or contract which gives preference to that customer over any other or gives priority rights or capacity rights to any entity? **If YES, attach a description of the arrangement that includes the following:**

a. **Customer name.**

b. **Percentage of annual revenue of the Project attributable to the customer.**

YES NO

5. Will any user of the Issuer's Waterworks System or the Project use it other than pursuant to a generally applicable and uniformly applied rate schedule? **(If YES, attach a description of the basis of the use of the Project).**

YES NO

6. Are there any contracts for use of the Waterworks System or the Project (e.g., large industrial users, cell phone towers, vending machines, etc.) by Non-Governmental Entities? **If YES, attach a description of the contracts.**

YES NO

7. Will any portion of the proceeds from the proposed borrowing be loaned to any other person or entity? **If YES, attach a description of the proposed loan.**

YES NO

8. Are there any development agreements relating to the Project? **If YES, attach a description of the agreement.**

II. Reimbursement: Subject to specific exceptions provided for in the Regulations (the "Reimbursement Regulations"), the interest on municipal obligations which reimburse prior expenditures is taxable. By answering the questions below, you will assist us in determining whether the Reimbursement Regulations have been followed.

YES NO

1. Have any of the costs of the Project been paid prior to the date hereof using internal funds of the Issuer? **If YES, please list the amount, purpose and date of payment of those previous expenditures which you expect to reimburse with proceeds of the Obligations:**

<u>Amount</u>	<u>Date of Payment</u>	<u>Purpose</u>
\$ _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

III. Project Timeline: Generally, the IRS arbitrage rules found in the Code and Regulations limit the investment of the proceeds of tax-exempt obligations. However, if certain tests are met, the proceeds are permitted to be invested for a "temporary period". By answering the questions below, we will be able to determine whether the proceeds of the Obligations qualify for a temporary period.

YES NO

1. Have you previously or will you within six months enter into contracts requiring payment of at least 5% of the proceeds of the Obligations for the Project?

YES NO

2. Have you or will you commence work on the Project and continue to work on the Project until it is complete?

YES NO

3. Do you expect to spend all of the proceeds of the Obligations for the Project within three years?

IV. Rebate of Investment Earnings: The basic IRS rebate requirement is that an issuer of tax-exempt obligations must pay to the United States the amount by which the investment earnings on the gross proceeds of any borrowings exceed the amount which would have been earned if the proceeds were invested at the yield on those obligations, plus any earnings on such excess. The rebate amount is required to be calculated and paid to the United States at least every five years. However, there are several exceptions to the rebate requirement. By answering the questions below, we will be able to determine whether you might qualify for an exception. Note: the exceptions to rebate are based on actual facts, not expectations, so the determination of whether an exception applies will only be certain at a future time.

- YES NO 1. Small Issuer Exception: Do you expect to issue more than \$5 million of tax-exempt obligations during the current calendar year?
- YES NO 2. Six Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 6 months?
- YES NO 3. Eighteen Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 18 months pursuant to the following schedule:
- a. at least 15% within six months of the date of issue;
 - b. at least 60% within 12 months of the date of issue; and,
 - c. 100% within 18 months of the date of issue?
4. Two Year Construction Expenditure Exception.
- YES NO a. Are at least 75% of the proceeds of the Obligations to be used to finance construction expenditures?
- YES NO b. If the answer to 4a. is "yes", do you expect to spend the proceeds of the Obligations within 2 years pursuant to the following schedule:
- (1) at least 10% within six months of the date of issue;
 - (2) at least 45% within 12 months of the date of issue;
 - (3) at least 75% within 18 months of the date of issue; and,
 - (4) 100% within two years of the date of issue.

V. **Post-Issuance Compliance Policy:** Has the Issuer adopted a post-issuance compliance policy to (a) monitor compliance with the arbitrage requirements of Section 148 of the Internal Revenue Code and (b) monitor use of property financed with proceeds of tax-exempt obligations it has issued and take remedial actions in the case of a change in use?

YES NO

If "Yes", please attach a copy of the policy. If "No", please note that a sample of such a policy is available on our website or upon request. We recommend that the Issuer consider adopting such a policy, since the IRS has indicated that issuers who have policies in place will receive more favorable treatment in the event there is a tax problem with respect to one of their issues.

ACKNOWLEDGEMENT AND SIGNATURE

I hereby certify that I am an authorized representative of the Issuer, and that I am authorized by the Issuer to execute this Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, refinancing, construction, acquisition and/or improvement of the Project, and I am acting on behalf of the Issuer in executing this Questionnaire. I certify that I am familiar with the Project and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained in these response or attached documentation. I understand the foregoing will be relied upon by Quarles & Brady LLP in determining the tax-exempt status of the Obligations.

Prepared and submitted by:

Name: _____

Title: _____

Phone: _____

City of Racine, Wisconsin

Date: _____

By: Alderman _____

COMMON COUNCIL
OF THE CITY OF RACINE

Dated: May 19, 2015

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$1,931,200 WATERWORKS SYSTEM REVENUE BONDS, SERIES 2015,
AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

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

WHEREAS, the Municipality has previously issued and has outstanding: (a) its Waterworks System Mortgage Revenue Bonds, dated November 1, 2004 (the "2004 Bonds") pursuant to an ordinance adopted on April 17, 1978 (the "1978 Ordinance"), as supplemented by an ordinance adopted on October 5, 2004 (the "2004 Ordinance"), (b) its Waterworks System Mortgage Revenue Bonds, dated April 2, 2007 (the "2007 Bonds") pursuant to the 1978 Ordinance, as supplemented by a resolution adopted on March 6, 2007 (the "2007 Resolution"), (c) its Waterworks System Mortgage Revenue Bonds, dated December 8, 2009 (the "2009 Bonds") pursuant to the 1978 Ordinance, as supplemented by a resolution adopted on November 17, 2009 (the "2009 Resolution"), (d) its Waterworks System Mortgage Revenue Refunding Bonds, dated June 28, 2011 (the "June 2011 Bonds") pursuant to the 1978 Ordinance, as supplemented by a resolution adopted on June 7, 2011 (the "June 2011 Resolution"), (e) its Waterworks System Mortgage Revenue Bonds, dated October 25, 2011 (the "October 2011 Bonds") pursuant to the 1978 Ordinance, as supplemented by a resolution adopted on October 4, 2011 (the "October 2011 Resolution"), and (f) its Waterworks System Mortgage Revenue Refunding Bonds, dated July 10, 2012 (the "2012 Bonds") pursuant to the 1978 Ordinance, as supplemented by a resolution adopted on June 19, 2012 (the "2012 Resolution"), which are payable from the income and revenues of the System; and

WHEREAS, the 2004 Bonds, the 2007 Bonds, the 2009 Bonds, the June 2011 Bonds, the October 2011 Bonds and the 2012 Bonds shall be referred to collectively as the "Senior Bonds"; and

WHEREAS, the 1978 Ordinance, as supplemented by the 2004 Ordinance, the 2007 Resolution, the 2009 Resolution, the June 2011 Resolution, and the October 2011 Resolution, and the 2012 Resolution shall be referred to collectively as the "Senior Resolutions"; and

WHEREAS, the Municipality has heretofore also issued and has outstanding its (a) Waterworks System Revenue Bonds, Series 1999, dated February 10, 1999 (the "1999 SDW Bonds") pursuant to a resolution adopted on January 5, 1999 (the "1999 SDW Resolution") and (b) Waterworks System Revenue Bonds, Series 2004, dated December 22, 2004 (the "2004 SDW Bonds") pursuant to a resolution adopted on December 7, 2004 (the "2004 SDW Resolution"),

which are payable from a pledge of revenues of the System on a basis junior and subordinate to the Senior Bonds; 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 Safe Drinking Water Loan Program Project No. 4887-05 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 281.41, Wisconsin Statutes, assigned No. W-2014-0406 and dated July 15, 2014 by the DNR; and

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes any municipality may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, operating and managing a public utility 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; and

WHEREAS, the Municipality deems it to be necessary, desirable and in its best interest to authorize and sell waterworks system revenue bonds of the Municipality payable solely from the revenues of the System, pursuant to the provisions of Section 66.0621, Wisconsin Statutes, to pay the cost of the Project; and

WHEREAS, the 1999 SDW Resolution and 2004 SDW Resolution permit the issuance of additional bonds on a parity with the 1999 SDW Bonds and 2004 SDW Bonds (collectively, the "Prior Safe Drinking Water Bonds") upon certain conditions, and those conditions have been met; and

WHEREAS, other than the Senior Bonds and the Prior Safe Drinking Water Bonds, no bonds or obligations payable from the revenues of the System are now outstanding.

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 Section 66.0621, Wisconsin Statutes;
- (b) "Bond Registrar" means the Municipal Treasurer which shall act as Paying Agent for the Bonds;
- (c) "Bonds" means the \$1,931,200 Waterworks System Revenue Bonds, Series 2015, of the Municipality dated their date of issuance, authorized to be issued by this Resolution;
- (d) "Bond Year" means the twelve-month period ending on each May 1;
- (e) "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 and capital expenditures;

(f) "Debt Service Fund" means the Waterworks Special Redemption Fund of the Municipality, which shall be the "special redemption fund" as such term is defined in the Act;

(g) "Financial Assistance Agreement" means the Financial Assistance Agreement by and between the State of Wisconsin by the Department of Natural Resources and the Department of Administration and the Municipality pursuant to which the Bonds are to be issued and sold to the State, substantially in the form attached hereto and incorporated herein by this reference;

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

(i) "Governing Body" means the Common Council, or such other body as may hereafter be the chief legislative body of the Municipality;

(j) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from waterworks charges imposed by the Municipality, all payments to the Municipality under any service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project;

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

(l) "Municipality" means the City of Racine, Racine County, Wisconsin;

(m) "Net Revenues" means the Gross Earnings of the System after deduction of Current Expenses;

(n) "Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of Section 11 of this Resolution;

(o) "Prior Safe Drinking Water Bonds" means the Municipality's Waterworks System Revenue Bonds, Series 1999, dated February 10, 1999 and Waterworks System Revenue Bonds, Series 2004, dated December 22, 2004;

(p) "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 preamble hereto;

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

(r) "Senior Bonds" means the 2004 Bonds, the 2007 Bonds, the 2009 Bonds, the June 2011 Bonds, the October 2011 Bonds and the 2012 Bonds and any future bonds issued by the Municipality that qualify as "Additional Senior Bonds" under Section 11(a) of this Resolution (the Senior Bonds are intended to be senior to the Bonds and any Parity Bonds);

(s) "Senior Resolutions" means the 1978 Ordinance, as supplemented by the 2004 Ordinance, the 2007 Resolution, the 2009 Resolution, the June 2011 Resolution, and the October 2011 Resolution, and the 2012 Resolution and any resolutions adopted in the future authorizing the issuance of additional Senior Bonds;

(t) "System" means the entire waterworks 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 extraction, collection, treatment, storage and distribution of water, including all improvements and extensions thereto made by the Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such waterworks system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(u) "1978 Ordinance" means an ordinance adopted by the Governing Body on April 17, 1978;

(v) "2004 Bonds" means the Municipality's Waterworks System Mortgage Revenue Bonds, dated November 1, 2004;

(w) "2004 Ordinance" means an ordinance adopted by the Governing Body on October 5, 2004 authorizing the issuance of the 2004 Bonds;

(x) "2007 Bonds" means the Municipality's Waterworks System Mortgage Revenue Bonds, dated April 2, 2007;

(y) "2007 Resolution" means a resolution adopted by the Governing Body on March 6, 2007 authorizing the issuance of the 2007 Bonds;

(z) "2009 Bonds" means the Municipality's Waterworks System Mortgage Revenue Bonds, dated December 8, 2009;

(aa) "2009 Resolution" means a resolution adopted by the Governing Body on November 17, 2009 authorizing the issuance of the 2009 Bonds;

(bb) "June 2011 Bonds" means the Municipality's Waterworks System Mortgage Revenue Refunding Bonds, dated June 28, 2011;

(cc) "June 2011 Resolution" means a resolution adopted by the Governing Body on June 7, 2011 authorizing the issuance of the June 2011 Bonds;

(dd) "October 2011 Bonds" means the Municipality's Waterworks System Mortgage Revenue Bonds, dated October 25, 2011;

(ee) "October 2011 Resolution" means a resolution adopted by the Governing Body on October 4, 2011 authorizing the issuance of the October 2011 Bonds;

(ff) "2012 Bonds" means the Municipality's Waterworks System Mortgage Revenue Refunding Bonds, dated July 10, 2012; and

(gg) "2012 Resolution" means a resolution adopted by the Governing Body on June 19, 2012 authorizing the issuance of the 2012 Bonds.

Section 2. Authorization of the Bonds 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 credit of the income and revenue of the System up to the sum of \$1,931,200; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Safe Drinking Water Loan Program in accordance with the terms and conditions of the Financial Assistance Agreement, which is incorporated herein by this reference and the Mayor and City 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 Bonds. The Bonds shall be designated "Waterworks System Revenue Bonds, Series 2015" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 1.650% per annum; 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 B of the Financial Assistance Agreement and in the Bond form attached hereto as Exhibit A as it is from time to time adjusted by the State of Wisconsin based upon the actual draws made by the Municipality. Interest on the Bonds shall be payable commencing on November 1, 2015 and semiannually thereafter on May 1 and November 1 of each year. The Bonds shall not be subject to redemption prior to maturity except as provided in the Financial Assistance Agreement.

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

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

The Bonds shall be executed in the name of the Municipality by the manual signatures of the Mayor and City Clerk, and shall be sealed with its official or corporate seal, if any.

The principal of, premium, if any, and interest on the Bonds shall be paid by the Municipal Treasurer, who is hereby appointed as the Municipality's Bond Registrar.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by the Bond Registrar. Payment of principal of the final maturity on the Bond will be payable upon presentation and surrender of the Bond to the Bond Registrar. Payment of principal on the Bond (except the final maturity) and each installment of interest shall be made to the registered owner of each Bond who shall appear on the registration books of the Municipality, maintained by the Bond 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 it

appears on such registration books or at such other address may be furnished in writing by such registered owner to the Bond Registrar.

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 Debt Service Fund hereinafter created and established, and shall be a valid claim of the registered owner or owners thereof only against such Debt Service Fund and the revenues of the System pledged to such fund, junior and subordinate to the pledge granted to the holders of the Senior Bonds and on a parity with the pledge granted to the holders of the Prior Safe Drinking Water Bonds. Sufficient revenues are hereby pledged to said Debt Service Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Senior Bonds, the Prior Safe Drinking Water Bonds, the Bonds and any Parity Bonds as the same becomes due.

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 Senior Bonds, the Prior Safe Drinking Water Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by 1978 Ordinance are hereby continued and shall be used solely for the following respective purposes:

- (a) Waterworks Revenue Fund (the "Revenue Fund"), into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below.
- (b) Waterworks Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (c) Waterworks Special Redemption Fund (the "Debt Service Fund"), which shall be divided into two separate accounts to be known as the "Interest and Principal Account" and the "Reserve Account". The Interest and Principal Account shall be used for the payment of the principal of, premium, if any, and interest on, first, the Senior Bonds and, second, the Prior Safe Drinking Water Bonds, the Bonds and Parity Bonds as the same becomes due. The Reserve Account established by the Senior Resolutions for the Senior Bonds is not pledged to the payment of the principal of or interest on the Prior Safe Drinking Water Bonds or the Bonds and moneys on deposit therein shall under no circumstances be used to pay principal of or interest on the Prior Safe Drinking Water Bonds or the Bonds.
- (d) Waterworks Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System.
- (e) Waterworks Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Senior Bonds, the Prior Safe Drinking Water Bonds, the Bonds and Parity Bonds when the Debt Service Fund shall be insufficient for such purpose, and thereafter shall

be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 6 hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the Municipality for advances made by the Municipality to the System.

Section 7. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

- (a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);
- (b) to the Debt Service Fund, for monthly transfer to the Interest and Principal Account thereof, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Senior Bonds, the Prior Safe Drinking Water Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Senior Bonds, the Prior Safe Drinking Water Bonds, the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source) and for monthly transfer to the Reserve Account thereof, the amount required to be deposited in the Reserve Account by the Senior Resolutions;
- (c) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and
- (d) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (d) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Senior Bonds, the Prior Safe Drinking Water Bonds, the

Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures and to provide any amounts required to be paid monthly into the Reserve Account.

Section 8. Deposits and Investments. The Interest and Principal Account of 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, first, the Senior Bonds and, next, the Prior Safe Drinking Water Bonds, the Bonds and any Parity Bonds 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, Wisconsin Statutes and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes. The other funds herein created (except the Waterworks System SDWLP Project Fund) may be combined in a single account in a public depository selected in the manner set forth above and may be temporarily invested until needed in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Section 9. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing waterworks services for public purposes shall be charged against the Municipality and shall be paid in monthly 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; that is to say, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the Municipality in each year shall be equal to an amount which, together with other revenues of the System, will produce in each Fiscal Year Net Revenues equivalent to not less than the annual principal and interest requirements on the Senior Bonds, the Prior Safe Drinking Water Bonds, the Bonds, any Parity Bonds and any other obligations payable from the revenues of the System then outstanding, times the greater of (i) 110% or (ii) the highest debt service coverage ratio required with respect to any obligations payable from revenues of the System then outstanding. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if applicable, (b) yearly appropriations therefor, and (c) applicable levy limitations, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the reasonable cost and value of the services rendered to the Municipality and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Operation of System; Municipality Covenants. It is covenanted and agreed by the Municipality with the owner or owners of the Bonds, and each of them, that the Municipality will perform all of the obligations of the Municipality as set forth in the Financial Assistance Agreement.

Section 11. Additional Bonds.

(a) Additional Senior Bonds. The Bonds are issued on a basis junior and subordinate to the Senior Bonds. The Municipality may issue obligations payable from the revenues of the System in such a manner as to enjoy priority over the Bonds or any Parity Bonds ("Additional Senior Bonds"), provided that all of the following conditions are met:

(1) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such Additional Senior Bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all obligations outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Senior Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, 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 Net 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.

(2) Upon such issuance, the rating classification of the Additional Senior Bonds would be confirmed by a publicly released municipal rating of the "A" quality investment group, or better, as assigned by Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, or by a similar nationally recognized rating agency, without regard to any credit enhancement provided for such Additional Senior Bonds.

(3) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(4) The Additional Senior Bonds must have principal maturing on September 1 of each year in which principal falls due and interest falling due on March 1 and September 1 of each year.

(5) The proceeds of the Additional Senior Bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

(b) Additional Junior and Parity Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(1) Additional Parity Bonds may be issued for the purpose of completing the Project and for the purpose of financing costs of the Project which are ineligible for payment under the State of Wisconsin Safe Drinking Water Loan Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(2) Additional Parity Bonds may also be issued if all of the following conditions are met:

(i) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the System, and on the bonds then to be issued, times the greater of (i) 1.10 or (ii) the highest debt service coverage ratio to be required with respect to the Additional Parity Bonds to be issued or any other obligations payable from the revenues of the System then outstanding. Should an increase in permanent rates and charges, including those made to the Municipality, 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 Net 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.

(ii) The payments required to be made into the funds enumerated in Section 6 of this Resolution must have been made in full.

(iii) The additional bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

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

(v) The additional bonds may be secured by a reserve account.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Safe Drinking Water Loan Program for the purchase price of up to \$1,931,200 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 Bonds as hereinabove provided, necessary to conclude delivery of the Bonds to said purchaser, as soon after adoption of this Resolution as is convenient. The purchase price for the Bonds shall be paid upon requisition therefor as provided in the Financial Assistance Agreement, and the officers of the Municipality are authorized to prepare and submit to the State requisitions and disbursement requests in anticipation of the execution of the Financial Assistance Agreement and the issuance of the Bonds.

Section 13. Application of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Waterworks System SDWLP Project Fund." The Waterworks System SDWLP Project Fund shall be used solely for the purpose of paying the costs of the Project as more fully described in the preamble hereof and in the Financial Assistance Agreement. Moneys in the Waterworks System SDWLP 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 14. 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 Municipality 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 a written consent of the owners of not less than two-thirds (2/3) of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the Municipality; provided, however, that no amendment shall permit any change in the pledge of revenues derived from the System or 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 15. Defeasance. When all Bonds have been discharged, all pledges, covenants and other rights granted to the owners thereof by this Resolution shall cease. The Municipality may discharge all Bonds 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 Bonds to its maturity or, at the Municipality'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 Municipality'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 16. Rebate Fund. Unless the Bonds are exempt from the rebate requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Municipality shall establish and maintain, so long as the Bonds and any Parity Bonds are outstanding, a separate account to be known as the "Rebate Fund." The sole purpose of the Rebate Fund is to provide for the payment of any rebate liability with respect to the Bonds under the relevant provisions of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"). The Rebate Fund shall be maintained by the Municipality until all required rebate payments with respect to the Bonds have been made in accordance with the relevant provisions of the Code and the Regulations.

The Municipality hereby covenants and agrees that it shall pay to the United States from the Rebate Fund, at the times and in the amounts and manner required by the Code and the Regulations, the portion of the "rebate amount" (as defined in Section 1.148-3(b) of the Regulations) that is due as of each "computation date" (within the meaning of Section 1.148-3(e) of the Regulations). As of the date of this Resolution, the provisions of the Regulations specifying the required amounts of rebate installment payments and the time and manner of such payments are contained in Sections 1.148-3(f) and (g) of the Regulations, respectively. Amounts held in the Rebate Fund and the investment income therefrom are not pledged as security for the

Bonds or any Parity Bonds and may only be used for the payment of any rebate liability with respect to the Bonds.

The Municipality may engage the services of accountants, attorneys or other consultants necessary to assist it in determining the rebate payments, if any, owed to the United States with respect to the Bonds. The Municipality shall maintain or cause to be maintained records of determinations of rebate liability with respect to the Bonds for each computation date until six (6) years after the retirement of the last of the Bonds. The Municipality shall make such records available to the State of Wisconsin upon reasonable request therefor.

Section 17. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality 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 14, 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 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 fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 18. Continuing Disclosure. The officers of the Municipality are hereby authorized and directed, if requested by the State of Wisconsin, to provide to the State of Wisconsin Safe Drinking Water Loan Program and to such other persons or entities as directed by the State of Wisconsin such ongoing disclosure regarding the Municipality's financial condition and other matters, at such times and in such manner as the Safe Drinking Water Loan Program may require, in order that securities issued by the Municipality and the State of Wisconsin satisfy rules and regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and as it may be amended from time to time, imposed on brokers and dealers of municipal securities before the brokers and dealers may buy, sell, or recommend the purchase of such securities.

Section 19. Conflicting Resolutions. All ordinances, resolutions (other than the Senior Resolutions and the resolutions authorizing the Prior Safe Drinking Water Bonds), 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. In case of any conflict between this Resolution and the Senior Resolutions, or the resolutions authorizing the Prior Safe Drinking Water Bonds, the Senior Resolutions, shall control as long as any of the respective Senior Bonds or Prior Safe Drinking Water Bonds are outstanding.

Passed: May 19, 2015

Approved: May 19, 2015

John Dickert
Mayor

Attest:

Janice M. Johnson-Martin
City Clerk

Excerpts of Minutes of Meeting
of the
Common Council of the
City of Racine

A meeting of the Common Council of the City of Racine, Racine County, Wisconsin, was duly called, noticed, held and conducted in the manner required by the Common Council and the pertinent Wisconsin Statutes on May 19, 2015. The Mayor called the meeting to order at _____ .m.

The following members were present:

The following members were absent:

(Here occurred business not pertinent to the financing.)

The following resolution was then moved by _____ and seconded by _____:

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$1,931,200
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2015, AND PROVIDING FOR
OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

(A true copy of the resolution as adopted is attached hereto and incorporated herein by reference.)

Upon the vote being taken, the following voted

Aye:

Nay:

Abstaining:

and the resolution was declared adopted.

(Here occurred business not pertinent to the financing.)

Upon motion made and seconded, the Common Council adjourned.

Certification of Minutes Excerpt

I, Janice M. Johnson-Martin, am the duly qualified and acting City Clerk of the City of Racine, Racine County, Wisconsin.

I hereby certify that the foregoing is a true and correct excerpt of the official minutes of the Common Council meeting of May 19, 2015 with respect to Common Council action to authorize the issuance and sale of \$1,931,200 Waterworks System Revenue Bonds, Series 2015.

I further certify that the attached is a true and correct copy of the resolution adopted by the Common Council at such meeting.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity on May 19, 2015.

Janice M. Johnson-Martin
City Clerk

(SEAL)

NOTICE

On May 19, 2015, a resolution was offered, adopted and approved by the City of Racine, Racine County, Wisconsin (the "Municipality"), whereby the Municipality authorized and directed the issuance and sale of up to \$1,931,200 Waterworks System Revenue Bonds, Series 2015. The closing on these Bonds will be held on May 27, 2015. A copy of all proceedings had to date with respect to the authorization and sale of said Bonds is on file and may be examined in the office of the City Clerk.

This Notice is given pursuant to Section 893.77, Wisconsin Statutes, which provides that an action or proceeding to contest the validity of such municipal financing, for other than constitutional reasons, must be commenced within thirty (30) days after the date of publication of this Notice.

Dated: _____, 2015.

CITY OF RACINE, WISCONSIN
Janice M. Johnson-Martin, City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. 1

UNITED STATES OF AMERICA
STATE OF WISCONSIN
RACINE COUNTY
CITY OF RACINE

REGISTERED
\$ _____

WATERWORKS SYSTEM REVENUE BOND, SERIES 2015

Final
Maturity Date

May 1, 2035

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN SAFE DRINKING WATER LOAN PROGRAM

FOR VALUE RECEIVED the City of Racine, Racine County, Wisconsin (the "Municipality") hereby acknowledges itself to owe and 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 _____ DOLLARS (\$ _____) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2017 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 1.650% 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, 2015.

The principal amount evidenced by this Bond 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 by the Department of Natural Resources and the Department of Administration including capitalized interest transferred (if any). The principal amounts so drawn shall be repaid in installments on May 1 of each year commencing on May 1, 2017 in an amount equal to an amount which when amortized over the remaining term of this Bond plus current payments of interest (but only on amounts drawn hereunder) at One and 650/1000ths percent (1.650%) 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 in the format shown on the attached Schedule 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 Bond shall be payable only upon presentation and surrender of this Bond at the office of the Municipal Treasurer. Principal hereof (except the final maturity) and interest hereon shall be payable by electronic transfer or by check or draft dated on or before the applicable payment date and mailed from the office of the Municipal Treasurer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding such interest payment date.

The Bonds shall not be redeemable prior to their maturity, except with the consent of the registered owner.

This Bond 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 Bond, 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 Bond shall be issued to the transferee in exchange therefor. The Municipality may deem and treat the person 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 interest hereof and for all other purposes. This Bond is issuable solely as a negotiable, fully-registered bond, without coupons, and in denominations of \$0.01 or any integral multiple thereof.

This Bond is issued for the purpose of providing for the payment of the cost of constructing improvements to the Waterworks System of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted May 19, 2015, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$1,931,200 Waterworks System Revenue Bonds, Series 2015, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues derived from the operation of the Waterworks System of the Municipality (the "Utility"). The Bonds are issued on a basis junior and subordinate to the Municipality's Waterworks System Mortgage Revenue Bonds, dated November 1, 2004, Waterworks System Mortgage Revenue Bonds, dated April 2, 2007, Waterworks System Mortgage Revenue Bonds, dated December 8, 2009, Waterworks System Mortgage Revenue Refunding Bonds, dated June 28, 2011, Waterworks System Mortgage Revenue Bonds, dated October 25, 2011 and Waterworks System Mortgage Revenue Refunding Bonds, dated July 10, 2012 and on a parity with the Municipality's Waterworks System Revenue Bonds, Series 1999, dated February 10, 1999 and Waterworks System Revenue Bonds, Series 2004, dated December 22, 2004, as to the pledge of income and revenues of the Utility. This Bond does not constitute an indebtedness of said Municipality within the meaning of any constitutional or statutory debt limitation or provision.

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 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 Municipality from the operation of its Utility 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 Municipality has caused this Bond to be signed by the signatures of its Mayor and City Clerk, and its corporate seal to be impressed hereon, all as of the date of original issue specified above.

CITY OF RACINE,
WISCONSIN

(SEAL)

By: _____
John Dickert
Mayor

By: _____
Janice M. Johnson-Martin
City 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 Bond and all rights thereunder, hereby irrevocably constituting and appointing

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

Dated: _____

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

Signature(s) guaranteed by

SCHEDULE A

\$1,931,200

CITY OF RACINE, WISCONSIN
WATERWORKS SYSTEM REVENUE BONDS, SERIES 2015

<u>Amount of Disburse- ment</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2017	\$ 87,370.31
May 1, 2018	88,811.92
May 1, 2019	90,277.32
May 1, 2020	91,766.90
May 1, 2021	93,281.05
May 1, 2022	94,820.19
May 1, 2023	96,384.72
May 1, 2024	97,975.07
May 1, 2025	99,591.66
May 1, 2026	101,234.92
May 1, 2027	102,905.29
May 1, 2028	104,603.23
May 1, 2029	106,329.18
May 1, 2030	108,083.62
May 1, 2031	109,867.00
May 1, 2032	111,679.80
May 1, 2033	113,522.52
May 1, 2034	115,395.64
May 1, 2035	117,299.66

MUNICIPAL INFORMATION QUESTIONNAIRE

1. Official Name of Government Unit: City of Racine
2. County: Racine
3. Employer I. D. #: 39-6005581
4. Address: City Hall, Finance Department, Room 103, 730 Washington Avenue,
Racine, WI 53403
 Phone Number: Finance (262) 636-9148 (Clerk: 262-636-9171); General Manager
(262) 636-9434; David Brown (262) 636-9198
 Fax Number: (262) 636-9548
 Email Address: Janice.Johnson-Martin@cityofracine.org; David.Brown@cityofracine.org;
Kathleen.Fischer@cityofracine.org; ken.scolaro@cityofracine.org;
thomas.friedel@cityofracine.org, vikki.zuehlke@cityofracine.org
5. Contact Person, Direct Phone Number and Email Address: David L. Brown*, Finance
Director, Kathleen Fischer, Assistant Finance Director, Vikki Zuehlke, Assistant City Clerk/Assistant
Treasury Manager, Kenneth M. Scolaro, Administrative Manager, Racine Water and Wastewater Utility,
City Hall, Annex, 800 Center Street, Room 227, Racine, WI 53403
6. Date/Time/Place of Regular Meetings: 1st & 3rd Tuesday, 7:00 p.m. at
City Hall
7. Does Municipality have an official or corporate seal? YES NO
8. Name of Official Newspaper, if any: Journal Times
 WEEKLY DAILY What day: _____
9. Class and form of government (i.e., mayor/ council plan, etc). 2nd Class; Mayor/Council Plan
10. Administrators and Officers: *(Please complete with official names (including middle initials) as used to sign legal documents.)*

<u>Name</u>	<u>Elected or Appointed?</u>	<u>Date Term of Office Expires</u>
<u>John Dickert</u> Mayor (john.dickert@cityofracine.org)	<u>Elected</u>	<u>_____</u>
<u>Thomas Friedel</u> City Administrator	<u>Appointed</u>	<u>N/A</u>
<u>Janice M. Johnson-Martin</u> City Clerk/Treasurer	<u>Appointed</u>	<u>N/A</u>
<u>David L. Brown</u> Finance Director	<u>Appointed</u>	<u>N/A</u>
<u>Kenneth M. Scolaro</u> Administrative Manager of Utilities (ken.scolaro@cityofracine.org)	<u>Appointed</u>	<u>N/A</u>

*Email resolutions (in MSWORD) to Janice Johnson-Martin (Janice.Johnson-Martin@cityofracine.org), Vikki Zuehlke, Assistant City Clerk/Assistant Treasury Manager (vikki.zuehlke@cityofracine.org) and to Mari Mora

and Colette Broadway in the City Attorney's office (maricela.mora@cityofracine.org and colette.broadway@cityofracine.org)

****Send CD-ROM transcript and downloadable link to the City.**

Robert K. Weber, Esq.
City Attorney
City of Racine
730 Washington Avenue
Racine, WI 53403
Phone Number: (262) 636-9115 Fax Number: (262) 636-9570
Email: Robert.Weber@cityofracine.org

11. Number of Common Council members? 15 *(Please attach current list)*
12. Are there any special resolutions or ordinances in effect (other than Wisconsin's Open Meeting law) regarding meeting notices, quorum requirements, etc.? YES NO
If yes, please provide detail. _____
13. Are there any proceedings now pending with respect to a change in the form of government or the detachment of territory? YES NO
If yes, please provide detail. _____
14. If a City or Village (or Town with Village powers): Has the governing body or electors adopted any charter ordinances under Section 66.0101, Wis. Stats. Or direct legislation under Section 9.20, Wis. Stats. restricting borrowing by the City or Village or Town or are any proceedings for such purposes now pending? YES NO
If yes, please provide detail. _____
15. Is there any litigation pending or threatened with respect to the corporate existence, organization, or boundaries of the government unit or the right of title of any officer of the government unit to his or her respective office? YES NO
If yes, please provide detail. _____
16. Are there any resolutions in effect which require any officers other than the chief executive officer and clerk, to execute bonds or notes or other documents evidencing indebtedness? YES NO
If yes, please provide detail. _____

17. Are the financial statements of the Municipality prepared in accordance with (PLEASE attach accountant's most recent letter confirming):

a) Generally Accepted Accounting Principles?

YES NO

OR

b) Generally Accepted Accounting Principles qualified with respect to the fixed asset group?

YES NO

OR

c) Accounting guidelines or procedures mandated by state law or by rule of any state agency or recommended by any state agency?

YES NO

18. Are there any other facts or circumstances which could have an impact on the issuance of the bonds or notes in question (e.g., litigation other than as set forth above, annexations, etc)? *If yes, please discuss.* _____

YES NO

Prepared and submitted by:

David L. Brown
Finance Director

Signed on: _____