

By: _____

Dated: October 3, 2023

COMMON COUNCIL
OF THE
CITY OF RACINE

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$23,367,711 WASTEWATER UTILITY REVENUE BONDS,
SERIES 2023B, AND PROVIDING FOR OTHER DETAILS AND
COVENANTS WITH RESPECT THERETO

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

WHEREAS, pursuant to Resolution No. 07-0580 adopted by the Governing Body on January 2, 2008 (the "2008 Resolution"), the Municipality has heretofore issued its Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008 (the "2008 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 10-1886 adopted by the Governing Body on March 2, 2010 (the "2010 Resolution"), the Municipality has heretofore issued its Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010 (the "2010 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 0149-18 adopted by the Governing Body on May 15, 2018 (the "2018 Resolution"), the Municipality has heretofore issued its Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018 (the "2018 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 0193-18 adopted by the Governing Body on June 19, 2018 (the "2018B Resolution"), the Municipality has heretofore issued its Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018 (the "2018B Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to Resolution No. 0823-21 adopted by the Governing Body on October 19, 2021 (the "2021 Resolution"), the Municipality has heretofore issued its Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021 (the "2021 Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, pursuant to a resolution adopted by the Governing Body on September 19, 2023 (the "2023A Resolution"), the Municipality has heretofore issued its Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023 (the "2023A Bonds"), which are payable from the income and revenues of the System; and

WHEREAS, the 2008 Resolution, 2010 Resolution, 2018 Resolution, 2018B Resolution, 2021 Resolution and 2023A Resolution (collectively, the "CWF Resolutions") permit bonds to be issued on a parity with the 2008 Bonds, 2010 Bonds, 2018 Bonds, 2018B Bonds, 2021 Bonds and 2023A Bonds (collectively, the "CWF Bonds") upon certain conditions, and those conditions have been met in connection with the issuance of the bonds to be issued pursuant to this Resolution; 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 Program Project No. 4285-27 for the construction-related costs and No. 4285-99 for the engineering-related costs 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. S-2022-0750 and dated October 12, 2022, No. S-2022-0809 and dated October 13, 2022 and No. S-2022-0784 and dated November 4, 2022 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 wastewater utility 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, other than the CWF 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 \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B, 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) "CWF Bonds" means the 2008 Bonds, 2010 Bonds, 2018 Bonds, 2018B Bonds, 2021 Bonds and 2023A Bonds, collectively;

(g) "CWF Resolutions" means the 2008 Resolution, 2010 Resolution, 2018 Resolution, 2018B Resolution, 2021 Resolution and 2023A Resolution, collectively;

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

(i) "Financial Assistance Agreements" means the Financial Assistance Agreements 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 forms attached hereto and incorporated herein by this reference;

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

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

(l) "Gross Earnings" means the gross earnings of the System, including earnings of the System derived from wastewater utility charges imposed by the Municipality, all payments to the Municipality under any wastewater treatment 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, any tax incremental district revenues appropriated by the Governing Body to the System, and any special assessments levied and collected in connection with the Project;

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

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

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

(p) "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;

(q) "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;

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

(s) "System" means the entire wastewater utility 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 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 wastewater utility system and including all appurtenances, contracts, leases, franchises, and other intangibles;

(t) "2008 Bonds" means the Municipality's Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008;

(u) "2008 Resolution" means Resolution No. 07-0580 adopted by the Governing Body on January 2, 2008 authorizing the issuance of the 2008 Bonds;

(v) "2010 Bonds" means the Municipality's Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010;

(w) "2010 Resolution" means Resolution No. 10-1886 adopted by the Governing Body on March 2, 2010 authorizing the issuance of the 2010 Bonds;

(x) "2018 Bonds" means the Municipality's Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018;

(y) "2018 Resolution" means Resolution No. 0149-18 adopted by the Governing Body on May 15, 2018 authorizing the issuance of the 2018 Bonds;

(z) "2018B Bonds" means the Municipality's Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018;

(aa) "2018B Resolution" means Resolution No. 0193-18 adopted by the Governing Body on June 19, 2018 authorizing the issuance of the 2018B Bonds;

(bb) "2021 Bonds" means the Municipality's Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021;

(cc) "2021 Resolution" means Resolution No. 0823-21 adopted by the Governing Body on October 19, 2021 authorizing the issuance of the 2021 Bonds;

(dd) "2023A Bonds" means the Municipality's Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023; and

(ee) "2023A Resolution" means a resolution adopted by the Governing Body on September 19, 2023 authorizing the issuance of the 2023A Bonds.

Section 2. Authorization of the Bonds and the Financial Assistance Agreements. 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 \$23,367,711; and fully registered revenue bonds of the Municipality are authorized to be issued in evidence thereof and sold to the State of Wisconsin Clean Water Fund Program in accordance with the terms and conditions of the Financial Assistance Agreements, which are 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 Agreements.

Section 3. Terms of the Bonds. The Bonds shall be designated "Wastewater Utility Revenue Bonds, Series 2023B" (the "Bonds"); shall be dated their date of issuance; shall be numbered one and upward; shall bear interest at the rate of 2.190% 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 Agreements 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 May 1, 2024 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 Agreements.

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 electronic transfer or 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, on a parity with the pledge granted to the holders of the CWF 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 CWF 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 CWF Bonds, the Bonds and Parity Bonds, certain funds of the System which were created and established by a resolution adopted April 20, 1993 and continued by the CWF Resolutions are hereby further continued and shall be used solely for the following respective purposes:

- (a) Wastewater Utility 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) Wastewater Utility Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses.
- (c) Wastewater Utility Special Redemption Fund (the "Debt Service Fund"), which shall be used for the payment of the principal of, premium, if any, and interest on the CWF Bonds, the Bonds and Parity Bonds as the same becomes due, and which may contain a Reserve Account established by a future resolution authorizing the issuance of Parity Bonds to secure such Parity Bonds.
- (d) Wastewater Utility Depreciation Fund (the "Depreciation Fund"), which shall be used to provide a proper and adequate depreciation account for the System.
- (e) Wastewater Utility Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the CWF 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, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the CWF 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 CWF 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 any amount required by a future resolution authorizing the issuance of Parity Bonds to fund a Reserve Account established therein;
- (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 CWF Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to fund the Reserve Account as required in connection with future Parity Bonds.

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 CWF 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 Wastewater Utility CWF 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 wastewater utility 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 CWF 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 Agreements.

Section 11. Additional Bonds. The Bonds are issued on a parity with the CWF Bonds as to the pledge of revenues of the System. No bonds or obligations payable out of the revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if the lien and pledge is junior and subordinate to that of the Bonds. Parity Bonds may be issued only under the following circumstances:

(a) 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 Clean Water Fund Program. However, such additional Parity Bonds shall be in an aggregate amount not to exceed 20% of the face amount of the Bonds; or

(b) Additional Parity Bonds may also be issued if 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 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 a registered municipal advisor, an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may calculate would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

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

(3) 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.

(4) 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.

Section 12. Sale of Bonds. The sale of the Bonds to the State of Wisconsin Clean Water Fund Program for the purchase price of up to \$23,367,711 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 Agreements 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 Agreements, 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 Agreements 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 "Wastewater Utility CWFPP Project Fund." The Wastewater Utility CWFPP 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 Agreements. Moneys in the Wastewater Utility CWFPP 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 Clean Water Fund 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 Clean Water Fund 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 CWF 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. In case of any conflict between this Resolution and the CWF Resolutions, the CWF Resolutions shall control as long as any of the respective CWF Bonds are outstanding.

Passed: October 3, 2023

Approved: October 3, 2023

Cory Mason
Mayor

Attest:

Tara McMenamin
City Clerk

EXHIBIT A

(Form of Municipal Obligation)

REGISTERED
NO. _____

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

REGISTERED
\$ _____

WASTEWATER UTILITY REVENUE BOND, SERIES 2023B

Final
Maturity Date

May 1, 2043

Date of
Original Issue

_____, 20__

REGISTERED OWNER: STATE OF WISCONSIN CLEAN WATER FUND 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, 2025 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 2.190% 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 May 1, 2024.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreements 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, 2025 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 Two and 190/1000ths percent (2.190%) 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.

This Bond shall not be redeemable prior to its 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 Wastewater Utility of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted October 3, 2023, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Wastewater Utility of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008, Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010, Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018, Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018, Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021 and Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023, 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: _____
Cory Mason
Mayor

By: _____
Tara McMenamin
City Clerk

COPY

(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

\$23,367,711

CITY OF RACINE, WISCONSIN
WASTEWATER UTILITY REVENUE BONDS, SERIES 2023B

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

COPY

SCHEDULE A (continued)

PRINCIPAL REPAYMENT SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
May 1, 2025	\$1,004,925.79
May 1, 2026	1,026,933.67
May 1, 2027	1,049,423.52
May 1, 2028	1,072,405.89
May 1, 2029	1,095,891.58
May 1, 2030	1,119,891.61
May 1, 2031	1,144,417.23
May 1, 2032	1,169,479.97
May 1, 2033	1,195,091.58
May 1, 2034	1,221,264.09
May 1, 2035	1,248,009.77
May 1, 2036	1,275,341.18
May 1, 2037	1,303,271.16
May 1, 2038	1,331,812.79
May 1, 2039	1,360,979.50
May 1, 2040	1,390,784.95
May 1, 2041	1,421,243.13
May 1, 2042	1,452,368.36
May 1, 2043	1,484,175.23



September 12, 2023

NATE TILLIS, UTILITY DIRECTOR
CITY OF RACINE
800 CENTER STREET, ROOM 227
RACINE WI 53403-1481

SUBJECT: Clean Water Fund Program, Project No. 4285-27
Upgrade Wastewater Treatment Plant Phase 1 Construction
Financial Assistance Agreement – October 11, 2023

Dear Mr. Tillis:

Your project manager prepared the following documents for your Clean Water Fund Program (CWFP) loan closing:

1. CWFP Loan Closing Schedule - Attachment 1
- 2. Financial Assistance Agreement Summary/Distribution Sheet - Attachment 2
3. Financial Assistance Agreement (FAA)

To close the loan on October 11, 2023, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Racine has three (3) working days upon receipt of wired CWFP funds to do one or more of the following:

1. Pay the project invoices identified in the CWFP disbursement request.
2. Reimburse an internal municipal account from which eligible project costs were paid. This reimbursement must adhere to current U.S. Treasury Regulations.
3. Disburse payments to the bank or financial institution for projects that are being refinanced.

Execution of the FAA creates a binding obligation in all respects. Any negotiation of terms and conditions or determinations must occur prior to adoption of the Municipal Obligation Resolution and execution of the enclosed FAA document.

The Project Manager Summary Page (Exhibit F of the FAA) further explains certain assumptions and decisions affecting preparation of your FAA.

Please contact your project manager, Blythe Cassidy, at 608-640-0509, for assistance with execution of the FAA, Request for Disbursement ([Form 8700-215](#)), or other CWFP documents.

Thank you for your interest in the Clean Water Fund Program.

Sincerely,

Becky Scott, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies:

Rebecca Speckhard, Quarles & Brady LLP - Milwaukee
Ed Maxwell, Ruckert-Mielke, Inc. - Madison
Brent Binder - DNR SE/Milwaukee
Capital Finance Office - DOA/10

Clean Water Fund Program Project No. 4285-27
City of Racine
Upgrade Wastewater Treatment Plant Phase 1
Financial Assistance Agreement – Closing Schedule

By August 29, 2023:

- Department of Natural Resources (DNR) project manager distributes Financial Assistance Agreement (FAA) to Department of Administration (DOA) for review.

By September 12, 2023:

- Quarles & Brady LLP distributes draft Municipal Obligation Resolution and other bond documents to the City of Racine and DOA for review. Project manager mails FAA to municipality.

On September 19, 2023:

- Municipality holds properly noticed Wastewater Commission Meeting to approve the FAA.

On September 25, 2023:

- Municipality holds properly noticed Finance Committee Meeting to approve the FAA.

On October 3, 2023:

- Municipality holds properly noticed City Council meeting at which time:
 1. Municipal Obligation Resolution is adopted.
 2. Bond related documents are signed by municipal officials.
 3. DNR FAA (printed single sided) is signed by municipal officials.

*NOTE: Most documents must be signed by Highest Elected Official & Clerk/Secretary and some documents must have municipal seal applied. **Do not sign any Exhibits.***

By October 4, 2023 VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Blythe Cassidy.
 2. Municipality returns signed paper FAA via overnight delivery to Quarles & Brady LLP.
 3. Municipality delivers signed & sealed Resolution & other bond documents via overnight delivery to Quarles & Brady LLP.

By October 9, 2023:

- Quarles & Brady LLP sends final signed and sealed bond documents and legal opinion to DOA.

October 11, 2023:

- Loan Closing Day. Quarles & Brady LLP contacts municipality and DOA to confirm that closing may proceed, and DOA wire transfers the first disbursement to municipal bank account.

Clean Water Fund Program Project No. 4285-27
City of Racine
Upgrade Wastewater Treatment Plant Phase 1 Construction
Financial Assistance Agreement Summary
Distribution Sheet

LOAN INFO

Total Project Amount: \$20,115,533

CWFP Funding Amount: \$20,038,436 Focus on Energy Award: 77,097

Pledge: Sewer System Revenue Lien Priority: Senior-Parity

Federal Equivalency Project Yes No

Composite Interest Rate: 2.190% Loan Term: 20 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – October 3, 2023

CLOSING INFO

Refinancing: None Date of Refinancing: N/A

Estimated Disbursement: \$3,108,897.91

DISTRIBUTION

Department of Natural Resources

Blythe Cassidy
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-640-0509
blythe.cassidy@wisconsin.gov

Department of Administration

Andrea Ceron
State of Wisconsin DOA Capital Finance Office
101 East Wilson Street, 10th Floor
PO Box 7864
Madison WI 53707-7864
608-267-0374
andrea.ceron@wisconsin.gov

Municipality

Nate Tillis
City of Racine
800 Center Street, Room 227
Racine WI 53403-1481
262-636-9101
nate.tillis@cityofracine.org

Engineering Firm

Ed Maxwell
Ruekert-Mielke, Inc.
4630 South Biltmore Lane
Madison WI 53718
262-953-4162
EMaxwell@ruekert-mielke.com

Municipal Bond Counsel

Rebecca Speckhard
Quarles & Brady LLP
411 East Wisconsin Avenue Suite 2400
Milwaukee WI 53202-4426
414-277-5000
rebecca.speckhard@quarles.com

FINANCIAL ASSISTANCE AGREEMENT (FAA) EXCERPTS

Clean Water Fund Program
Project No. 4285-27

Municipality: City of Racine

Municipal ID: 51276

Plans and Specifications: S-2022-0750, approved October 12, 2022; S-2022-0809, approved October 13, 2022; S-2022-0784, approved November 4, 2022;

Municipal Meeting Dates: Wastewater Commission - September 19, 2023
Finance Committee - September 25, 2023
City Council - October 3, 2023

Loan Closing Date: October 11, 2023

Substantial Completion Date: January 31, 2025

Pledge: Sewer System Revenue bond with a par amount of \$20,038,436

Priority: Senior-Parity

Interest Rate: 2.190%

Refunding: None

Estimated First Disbursement: \$3,108,897.91

Loan Term: 20 Years

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison, Wisconsin 53707-7921

Financial Assistance Agreement
Clean Water Fund Program
Form 8700-214 rev 07/23

STATE OF WISCONSIN CLEAN WATER FUND PROGRAM

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF RACINE

\$20,038,436

FINANCIAL ASSISTANCE AGREEMENT

Dated as of October 11, 2023

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Clean Water Fund Program. This agreement is awarded pursuant to ss. 281.58 and 281.59, Wis. Stats. The purpose of this agreement is to award financial assistance from the Clean Water Fund Program. This agreement also discloses the terms and conditions of this award.

This agreement is only effective when signed by authorized officers of the municipality, the State of Wisconsin Department of Natural Resources, and the State of Wisconsin Department of Administration.

The Department of Natural Resources and the Department of Administration may rescind or terminate this agreement if the municipality fails to comply with the terms and conditions contained within. Any determination or certification made in this agreement by the Department of Natural Resources or the Department of Administration is made solely for the purpose of providing financial assistance under the Clean Water Fund Program.

Municipal Identification No. 51276
Clean Water Fund Program Project No. 4285-27

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EXHIBIT G	FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION
EXHIBIT H	LIST OF FEDERAL LAWS AND AUTHORITIES

WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated October 11, 2023, between the STATE OF WISCONSIN Clean Water Fund Program (the "CWFP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.58 and 281.59, Wis. Stats., as amended (the "Statute"), and the City of Racine, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987 (the "Water Quality Act"), requires each state to establish a water pollution control revolving fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by Title VI of the Water Quality Act; and

WHEREAS, the State of Wisconsin, pursuant to the Statute, established the CWFP to be used in part for purposes of the Water Quality Act; and

WHEREAS, the State of Wisconsin, pursuant to s. 25.43, Wis. Stats., established a State of Wisconsin Environmental Improvement Fund which includes the CWFP; and

WHEREAS, DNR and DOA have the joint responsibility to provide CWFP financial assistance to municipalities for the planning, design, and construction of eligible wastewater pollution abatement projects, all as set forth in the Statute; and

WHEREAS, the Municipality submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), and DNR has approved the Application and determined the Application meets the criteria for Project eligibility based on water quality and public health requirements established in applicable state statutes and regulations; and

WHEREAS, DNR determined that the Municipality and the Project are eligible for financial assistance pursuant to s. 281.58(7)(b), Wis. Stats.; and

WHEREAS, DOA determined the CWFP will provide financial assistance for construction costs to the Municipality by making a loan (the "Loan") under s. 281.59(9), Wis. Stats., for the purposes of that subsection and intends to provide additional financial assistance under a separate financial assistance agreement for engineering costs of the Project; and

WHEREAS, the Municipality pledged the security, if any, required by DOA, and the Municipality demonstrated to the satisfaction of DOA the financial capacity to ensure sufficient revenues to operate and maintain the Project for its useful life and to pay debt service on the obligations it issues for the Project; and

WHEREAS, the Municipality certifies to the CWFP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality for repayment of the Loan; and

WHEREAS, the Municipality obtained DNR approval of facility plans or engineering reports, and plans and specifications for the Project, subject to the provisions of applicable State environmental standards set forth in law, rules, and regulations;

NOW, THEREFORE, in consideration of the promises and of the mutual representations, covenants, and agreements herein set forth, the CWFP and the Municipality, each binding itself, its successors, and its assigns, do mutually promise, covenant, and agree as follows:

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions The following capitalized terms as used in this FAA shall have the following meanings:

"Act" means the Federal Water Pollution Control Act, 33 U.S. Code §§1250 et seq., as amended.

"American Iron and Steel" means the requirements contained in section 608 of the Act.

"Application" means the written application of the Municipality dated September 30, 2022, for financial assistance under the Statute.

"Bonds" means bonds or notes issued by the State pursuant to the Program Resolution, all or a portion of the proceeds of which shall be applied to make the Loan.

"Build America, Buy America" means Title IX of the Infrastructure Investment and Jobs Act, Publ. L. No. 117-58, §§ 70901-52.

"Business Day" means any day on which State offices are open to conduct business.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"CWFP" means the State of Wisconsin Clean Water Fund Program, established pursuant to the Statute, and managed and administered by DNR and DOA.

"DNR" means the State of Wisconsin Department of Natural Resources and any successor entity.

"DOA" means the State of Wisconsin Department of Administration and any successor entity.

"EPA" means the United States Environmental Protection Agency or any successor entity that may succeed to the administration of the program established by Title VI of the Water Quality Act.

"FAA" means this Financial Assistance Agreement.

"Fees and Charges" means the costs and expenses of DNR and DOA in administering the CWFP.

"Final Completion" means the Project construction is complete, DNR or agents thereof have certified that the Project was constructed according to DNR approved Plans and Specifications and that the facilities are operating according to design, and DNR has completed all necessary Project closeout procedures.

"Financial Assistance Agreement" means this construction Financial Assistance Agreement between the CWFP by DNR, DOA, and the Municipality, as the same may be amended from time to time in accordance with Section 6.04 hereof.

"Loan" means the loan or loans made by the CWFP to the Municipality pursuant to this FAA.

"Loan Disbursement Table" means the table, the form of which is included as Exhibit C hereto, with columns for inserting the following information:

- (a) amount of each disbursement,
- (b) date of each disbursement,
- (c) the series of Bonds from which each disbursement is made,
- (d) principal amounts repaid, and
- (e) outstanding principal balance.

"Municipal Obligation Counsel Opinion" means the opinion of counsel satisfactory to DOA, issued in conjunction with the Municipal Obligations, stating that:

- (a) this FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and this FAA has been duly executed and delivered by the Municipality;
- (b) the Municipal Obligations have been duly authorized, executed, and delivered by the Municipality and sold to the CWFP;
- (c) each of this FAA and the Municipal Obligations constitutes a legal, valid, and binding obligation of the Municipality, enforceable against the Municipality in accordance with its respective terms (provided that enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that its enforcement may also be subject to the exercise of judicial discretion in appropriate cases);
- (d) the Municipal Obligations constitute special obligations of the Municipality secured as to payment of principal, interest, and redemption price by the pledged revenues as set forth therein;
- (e) interest on the Municipal Obligations is not included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings, and judicial decisions;
- (f) the Municipal Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code and the arbitrage regulations; and
- (g) the Municipal Obligations are not "private activity bonds" as defined in Section 141(a) of the Code.

"Municipal Obligation Resolution" means that action taken by the governing body of the Municipality authorizing the issuance of the Municipal Obligations.

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the CWFP, a specimen copy of which is included in the Municipal Obligations transcript.

"Municipality" means the City of Racine, a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and any successor entity.

"Parallel Cost Percentage" means the proportion of Project Costs eligible for below-market-rate financing relative to the total Project Costs eligible for CWFP financing.

"Parity Obligations" means the Municipality's \$3,481,931 Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008; its \$2,657,592 Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010; its \$531,270 Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018; its \$13,088,291 Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018; its \$933,858 Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021; its \$5,749,015 Wastewater Utility Revenue Bonds, Series 2023 a, dated September 27, 2023; and any other obligations issued on a parity with the Municipal Obligations as part of the same series of revenue bonds or pursuant to the restrictive provisions of Section 11 of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. S-2022-0750, approved by DNR October 12, 2022, S-2022-0809 approved October 13, 2022, and S-2022-0784, approved November 4, 2022, as the same may be amended or modified from time to time in accordance with this FAA.

"Program Resolution" means the Amended and Restated Program Resolution for State of Wisconsin Environmental Improvement Fund Revenue Obligations adopted by the State of Wisconsin Building Commission, as such may from time to time be further amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Program Resolution.

"Progress Payments" means payments for work in place and materials or equipment that have been delivered or are stockpiled in the vicinity of the construction site. This includes payments for undelivered, specifically manufactured equipment if: (1) designated in the specifications, (2) could not be readily utilized or diverted to another job, and (3) a fabrication period of more than 6 months is anticipated.

"Project" means the project assigned CFWP project number 4285-27 and CFWP project number 4285-99 by DNR, described in the Project Manager Summary Page (Exhibit F) of this FAA—the construction FAA—and the financial assistance agreement for engineering costs, and further described in the DNR approval letter for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

"Project Costs" means the construction, miscellaneous, and closing costs of the Project that are eligible for financial assistance from the CFWP under the Statute, which are allowable costs under the Regulations, which have been incurred by the Municipality, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means the Act; chs. NR 108, NR 110, NR 150, NR 151, NR 162, and NR 216, Wis. Adm. Code, the regulations of DNR; and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Act, as such may be adopted or amended from time to time.

"SDWLP" means the State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.58(9)(d), Wis. Stats., which shall cover the estimated costs of reviewing and acting upon the Application and servicing this FAA, and which the Municipality is obligated to pay as set forth in Section 3.04 hereof.

"Sewer Use Ordinance" means the ordinance (or other legislative enactments) meeting the requirements of the Regulations and enacted and enforced in each jurisdiction served by the Project.

"Sewerage System" means the entire wastewater utility 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.

"State" means the State of Wisconsin.

"Statute" means ss. 281.58 and 281.59, Wis. Stats., as amended.

"Substantial Completion" means the date on which construction of the Project is sufficiently complete in accordance with the contract documents so that the owner can occupy and utilize the Project for its intended use.

"Supplemental Resolution" shall have the meaning set forth in the Program Resolution.

"Trustee" means the trustee appointed by the State pursuant to the Program Resolution and any successor trustee.

"User Charge System" means a system of charges meeting the requirements of s. NR 162.08, Wis. Adm. Code.

"User Fees" means fees charged or to be charged to users of the Project or the Sewerage System of which the Project is a part pursuant to a User Charge System or otherwise.

"Water Quality Act" means the federal Water Quality Act of 1987, as amended.

"WPDES Permit" means a Wisconsin Pollutant Discharge Elimination System permit issued under ch. 283, Wis. Stats.

Section 1.02. Rules of Interpretation Unless the context clearly indicates to the contrary, the following rules shall apply to the context of this FAA:

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to this FAA in its entirety and not the particular article or section of this FAA in which they appear. The term "hereafter" means after and the term "heretofore" means before the date of delivery of this FAA.
- (e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

ARTICLE II
REPRESENTATIONS

Section 2.01. Representations of the CWFP The CWFP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Statute and the Program Resolution and to use the proceeds thereof to provide funds for the making of the Loan to the Municipality to undertake and complete the Project.
- (b) The CWFP has complied with the provisions of the Statute and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The CWFP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to the Statute, the CWFP is authorized to execute and deliver this FAA, and to take actions and make determinations that are required of the CWFP under the terms and conditions of this FAA.
- (e) The execution and delivery by the CWFP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party, or by which it is bound, or, to the best of the CWFP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the CWFP; all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) To the knowledge of the CWFP, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the CWFP, or, to the knowledge of the CWFP, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

Section 2.02. Representations of the Municipality The Municipality represents and warrants as of the date of this FAA, and with respect to paragraphs (n), (s), and (u), covenants throughout the term of this FAA, as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
 - (1) conduct its business and own its properties,
 - (2) enter into this FAA,
 - (3) adopt the Municipal Obligation Resolution,
 - (4) issue and deliver the Municipal Obligations to the CWFP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality's Project is a project that is necessary to prevent the applicant from significantly exceeding an effluent limitation contained in its WPDES Permit (compliance maintenance).

(c) With respect to the issuance of the Municipal Obligations, the Municipality has complied with the Municipal Obligation Resolution and with all applicable laws of the State.

(d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$20,038,436 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

(e) This FAA and the Municipal Obligations have each been duly authorized, executed, and delivered, and constitute legal, valid, and binding obligations of the Municipality, enforceable in accordance with their respective terms.

(f) To the knowledge of the Municipality, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the Municipality, or, to the knowledge of the Municipality, any basis therefor:

(1) affecting the creation, organization, or existence of the Municipality or the title of its officers to their respective offices;

(2) seeking to prohibit, restrain, or enjoin the execution of this FAA or the issuance or delivery of the Municipal Obligations;

(3) in any way contesting or affecting the validity or enforceability of the Municipal Obligation Resolution, the Municipal Obligations, this FAA, or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by this FAA; or

(4) wherein an unfavorable decision, ruling, or finding could adversely affect the transactions contemplated hereby or by the Municipal Obligation Resolution or the Municipal Obligations.

(g) The Municipality is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its properties is bound, and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute such a breach or default. The execution and delivery of this FAA, the issuance and delivery of the Municipal Obligations, the adoption of the Municipal Obligation Resolution, and compliance with the respective provisions thereof shall not conflict with, or constitute a breach of or default under, any applicable law or administrative regulation of the State or of the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its property is bound.

(h) The Municipal Obligations constitute validly-issued, legally-binding special obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Loan and the Municipal Obligation Resolution have been duly adopted by the Municipality and remain in full force and effect as of the date hereof.

(j) The Municipality has full legal right and authority and all necessary permits, licenses, easements, and approvals (other than such permits, licenses, easements, or approvals that are not by their nature obtainable prior to Substantial Completion of the Project) required as of the date hereof to own the Project, carry on its activities relating thereto, undertake and complete the Project, and carry out and consummate all transactions contemplated by this FAA.

(k) The Municipality represents that it has not made any commitment or taken any action that shall result in a valid claim for any finders' or similar fees or commitments in respect to the issuance and sale of the Municipal Obligations and the making of the Loan under this FAA.

(l) The Project is eligible under s. 281.58(7), Wis. Stats., for financing from the CWFP, and the Project costs are equal to or in excess of the principal amount of the Municipal Obligations. Portions of the Project that are ineligible for financing from the CWFP or under this FAA are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Statute throughout the term of this FAA.

(m) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance from the CWFP under the Statute. All proceeds of any borrowing of the Municipality that have been spent and are being refinanced with the proceeds of the Loan made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Bonds shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is and shall remain in compliance with all applicable federal, state, and local laws and ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality. The Municipality has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 hereof.

(o) The Municipality does not intend to lease the Project or enter into a long-term contract for operation of the Project except as set forth in Exhibit D.

(p) The Municipality shall not take or omit to take any action which action or omission shall in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Program Resolution.

(q) The Municipality has not taken and shall not take any action, and presently knows of no action that any other person, firm, or corporation has taken or intends to take, that would cause interest on the Municipal Obligations to be includable in the gross income of the owners of the Municipal Obligations for federal income tax purposes. The representations, certifications, and statements of reasonable expectation made by the Municipality as referenced in the Municipal Obligation Counsel Opinion and No Arbitrage Certificate are hereby incorporated by this reference as though fully set forth herein.

(r) Other than (1) "preliminary expenditures" as used in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Municipal Obligations, all of the proceeds of the Bonds loaned to the Municipality (other than refunding proceeds, if any) shall be used for Project Costs paid by the Municipality subsequent to a date which is 60 days prior to the date on which the Municipality adopted a reimbursement resolution pursuant to Treas. Regs. 26 CFR 1.150-2 stating its intent to reimburse other funds of the Municipality used to finance the Project, or subsequent to the issuance date of the Municipal Obligations.

(s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in s. 281.58, Wis. Stats., and ch. NR 162, Wis. Adm. Code.

(t) The Municipality has adopted a rate, charge, or assessment schedule that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.

(u) The Municipality is in substantial compliance and shall remain in substantial compliance with all applicable conditions, requirements, and terms of any financial assistance previously awarded

through the federal construction grants program, the Wisconsin Fund construction grants program, the CWFP, or the SDWLP.

(v) The Municipality has met all terms and conditions contained within and received DNR approval for the Municipality's Plans and Specifications for the Project described in the definitions hereof.

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The expected Substantial Completion date of the Project is January 31, 2025.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP by deducting those amounts from any State payments due the Municipality. State aids information is available on: the Wisconsin Department of Revenue's website at <https://www.revenue.wi.gov/Pages/Report/Shared-Revenue-Estimates.aspx>, and the Wisconsin Department of Transportation's website at <https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>.

The Municipality acknowledges that s. 70.60, Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP by adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located.

(y) The Municipality acknowledges that the State reserves the right upon default by the Municipality hereunder to have a receiver appointed to collect User Fees from the operation of the Municipality's Sewerage System or, in the case of a joint utility system, to bill the users of the Municipality's Sewerage System directly.

(z) The representations of the Municipality in the Application are true and correct as of the date of this FAA and are incorporated herein by reference as if fully set forth in this place.

(aa) There has been no material adverse change in the financial condition or operation of the Municipality or the Project since the submission date of the Application.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

(a) Subject to the conditions and in accordance with the terms of this FAA, the CWFP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the Loan made to the Municipality, the Municipality hereby agrees to sell to the CWFP Municipal Obligations in the aggregate principal amount of \$20,038,436. The CWFP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.

(b) Prior to disbursement, Loan proceeds shall be held by the CWFP or by the Trustee for the account of the CWFP. Earnings on undisbursed Loan proceeds shall be for the account of the CWFP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.06 hereof.

(c) The Loan shall bear interest at the rate of two and 190/1000ths percent (2.190%) per annum, and interest shall accrue and be payable only on Loan proceeds actually disbursed from the date of disbursement until the date such amounts are repaid. A description of how the interest rate was determined is included in the Project Manager Summary Page (Exhibit F).

(d) The Municipal Obligation shall include the Loan Disbursement Table (Exhibit C). The actual dates of disbursements shall be reflected as part of the Municipal Obligations. DOA shall make entries as each disbursement is made and as each principal amount is repaid; the CWFP and the Municipality agree that such entries shall be mutually binding.

(e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Loan.

(f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the CWFP concurrently with the delivery of the Municipal Obligations.

(g) The Municipal Obligations issued to finance the costs of this FAA shall be issued as part of a single series of revenue bonds which also finances the costs of the engineering-only financial assistance agreement in the aggregate principal amount of \$23,367,711, which, assuming the full amount of the loans secured thereby is disbursed to the Municipality on Oct. 11, 2023, will have principal and interest payments due on the dates set forth in Exhibit B-2 of this FAA.

Section 3.02. Loan Amortization Principal and interest payments on the Loan shall be due on the dates set forth in Exhibit B-1 of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed to the Municipality on October 11, 2023. It is understood that the actual amounts of the Municipality's Loan payments shall be based on the actual dates and amounts of Loan disbursements for the Loan. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than twenty (20) years from the date of this FAA and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.03. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Municipality's Sewerage System, and the Municipality shall agree that, if revenues from the Sewerage System are insufficient to meet annual debt service requirements, the Municipality shall purchase sewerage services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses

shall be equal to not less than the annual principal and interest requirements on the Municipal Obligations, any Parity Obligations, and any other debt obligations payable from the revenues of the Sewerage System then outstanding, times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations or any other debt obligations payable from the revenues of the Sewerage System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 110 percent; however, this percentage is subject to change as outlined in the prior sentence. The Loan is also secured as provided in Section 3.08 hereof.

Section 3.04. Other Amounts Payable The Municipality hereby expressly agrees to pay to the CWFP:

(a) such Servicing Fee as the CWFP may impose pursuant to s. 281.58(9)(d), Wis. Stats., which shall be payable in semiannual installments on each interest payment date; such a Servicing Fee shall be imposed upon the Municipality after approval of a future Biennial Finance Plan by the State of Wisconsin Building Commission which contains a Servicing Fee requirement, schedule, and amount; and

(b) the Municipality's allocable share of the Fees and Charges as such costs are incurred. Allocable share shall mean the proportionate share of the Fees and Charges based on the outstanding principal of the Loan.

Amounts paid by the Municipality pursuant to this Section 3.04 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

Section 3.05. Sale and Redemption of Municipal Obligations

(a) Municipal Obligations may not be prepaid without the prior written consent of the CWFP. The CWFP has sole discretion to withhold such consent.

(b) The Municipality shall pay all costs and expenses of the CWFP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the CWFP and any investment losses incurred or sustained by the CWFP resulting directly or indirectly from any such prepayment.

(c) Subject to subsection (a), the Municipality may prepay the Loan with any settlements received from any third party relating to the design or construction of the Project.

(d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.

Section 3.06. Disbursement of Loan Proceeds

(a) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement of Loan proceeds is requested have been incurred by the Municipality.

(b) The CWFP, through its agents or Trustee, plans to make disbursements of Financial Assistance on a semimonthly basis upon approval of each disbursement request by DNR and DOA. Such approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.

(c) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.

(1) If the Loan Proceeds are not yet fully disbursed, and CWFP funds were previously disbursed for costs not eligible for CWFP funding or not eligible under this FAA, the CWFP shall make necessary adjustments to future disbursements.

(2) If the Loan proceeds are fully disbursed, including disbursements for any costs not eligible for CWFP funding or not eligible under this FAA, the Municipality agrees to repay to the CWFP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The CWFP shall then apply the amount it receives as a Loan prepayment.

(d) The CWFP or its agent shall disburse Loan proceeds only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers.

(e) Disbursement beyond ninety-five percent (95%) of the principal amount of the Loan, unless otherwise agreed to by DNR and DOA pursuant to a written request from the Municipality, may be withheld until:

(1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, DNR has approved all change orders relating to the Project, and DNR has determined that the Project is in compliance with the Municipality's WPDES Permit;

(2) the Municipality certifies to DNR its acceptance of the Project from its contractors;

(3) the Municipality certifies in writing to DNR its compliance with applicable federal requirements (certification must be as prescribed on Exhibit G); and

(4) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

(g) Treas. Regs. 26 CFR § 1.148-6(d)(1)(iii) applies to project expenditures. It states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.07. Remedies

(a) If the Municipality:

(1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or

(2) is not complying with or is in violation of any provision set forth in this FAA; or

(3) is not in compliance with the Statute or the Regulations;

then DNR may, until the Project is brought into compliance or the FAA non-compliance is cured to the satisfaction of DNR or DOA, impose one (1) or more of the following sanctions:

(i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.

(ii) Project work may be suspended.

(iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.

(iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the CWFP is provided remedies by law and this FAA. These remedies include, but are not limited to, the following rights:

(1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the CWFP under this FAA. DOA may collect all amounts due the CWFP by deducting those amounts from any State payments due the Municipality or adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.

(2) Pursuant to s. NR 162.18(1), Wis. Adm. Code, if the Loan has not been fully disbursed, DNR may: declare the unpaid Loan balance due and immediately payable; increase the interest rate on the unpaid balance of the Loan to the market interest rate in effect on the date this FAA was executed; or immediately terminate this FAA and disburse no additional funds.

(3) The CWFP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the CWFP's benefit of the Project and the Municipality's Sewerage System and of the earnings, income, rents, issues, and profits thereof, with such powers as the court making such appointment shall confer. The Municipality hereby irrevocably consents to such appointment.

(4) In the case of a joint utility system, the CWFP may bill the users of the Municipality's system directly.

(5) The CWFP may enforce any right or obligation under this FAA, including the right to seek specific performance or mandamus, whether such action is at law or in equity.

Section 3.08. Security for the Loan In accordance with the terms of the Municipal Obligation Resolution:

(a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Sewerage System (which is a dedicated source of revenue); and

(b) other than as already pledged to the outstanding Parity Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's User Charge System or other revenues pledged under Section 3.08(a) above, to any person other than the CWFP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.09. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date, and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance The Municipality agrees to maintain property and liability insurance for the Sewerage System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of the Loan. The Municipality agrees to provide written evidence of insurance coverage to the CWFP upon request at any time during the term of the Loan.

In the event the Sewerage System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Loan or to repair or replace the Sewerage System.

Section 4.02. Construction of the Project The Municipality shall construct the Project, or cause it to be constructed, to Final Completion in accordance with the Application and the Plans and Specifications. The Municipality shall proceed with the acquisition and construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto, subject to such modifications of Plans and Specifications that alter the cost of the Project, use of space, Project scope, or functional layout, as may be previously approved by DNR.

Section 4.03. Performance Bonds The Municipality shall provide, or cause to be provided, performance bonds assuring the performance of the work to be performed under all construction contracts entered into with respect to the Project. All performance bonds required hereunder shall be issued by independent surety companies authorized to transact business in the State.

Section 4.04. Completion of the Project

(a) The Municipality agrees that it shall undertake and complete the Project for the purposes and in the manner set forth in this FAA and in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. The Municipality shall, with all practical dispatch and in a sound and economical manner, complete or cause to be completed the acquisition and construction of the Project and do all other acts necessary and possible to entitle it to receive User Fees with respect to the Project at the earliest practicable time. The Municipality shall obtain all necessary approvals from any and all governmental agencies prior to construction which are requisite to the Final Completion of the Project.

(b) The Municipality shall notify DNR of the Substantial Completion of the Project. The Municipality shall cause to be prepared as-built plans for the Project at or prior to completion thereof.

(c) The Municipality shall take and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently and in accordance with the terms of the contracts including, without limitation, the correcting of defective work.

(d) Upon Final Completion of the Project in accordance with the Plans and Specifications, the Municipality shall:

- (1) certify to DNR its acceptance of the Project from its contractors, subject to claims against contractors and third parties;
- (2) complete and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form for the entire Project attached hereto as Exhibit E of this FAA and included as Exhibit E in the financial assistance agreement providing funds for engineering costs of the Project;
- (3) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit G of this FAA (note that the Municipality must

complete the certification just once for the overall Project as opposed to two separate certifications—one for the engineering loan and one for the construction Loan);

(4) obtain all required permits and authorizations from appropriate authorities for operation and use of the Project; and

(5) submit to DNR a completed Operation and Maintenance Manual Certification Checklist form to be provided by DNR or obtained from DNR's website. (Note that the Municipality must submit just one form for the overall Project.)

Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Loan amount, the CWFP may allocate additional financial assistance to the Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Statute and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Statute and the Regulations.

(b) In the event the sum of the proceeds from the engineering-only financial assistance agreement plus the construction FAA is not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project costs as may be in excess of available CWFP financial assistance, and shall not be entitled to any reimbursement therefor from the CWFP, or the owners of any Bonds, except from the proceeds of additional financing which may be provided by the CWFP pursuant to an amendment of this FAA or through a separate financial assistance agreement.

Section 4.06. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the CWFP, DOA, DNR, nor the Trustee makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the proceeds of the Loan and any additional financial assistance shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, Plans and Specifications, or other documents, or the inspection of Project construction by DNR, does not relieve the Municipality of its responsibility to properly plan, design, build, and effectively operate and maintain the Project as required by laws, regulations, permits, and good management practices. DNR or its representatives are not responsible for increased costs resulting from defects in the Plans and Specifications or other Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.

ARTICLE V
COVENANTS

Section 5.01. Application of Loan Proceeds The Municipality shall apply the proceeds of the Loan solely to Project Costs. The Municipality shall not apply the disbursements of CWFP project number 4285-27 to engineering costs of the Project.

Section 5.02. Operation and Maintenance; Equipment Replacement Fund

(a) After completion of the Project, the Municipality shall:

(1) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;

(2) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and

(3) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the requirements of the WPDES Permit.

(b) So long as the Loan is outstanding, the Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Sewerage System or Project, except for portions of the Sewerage System sold or otherwise disposed of in the course of ordinary repair and replacement of parts.

(c) The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. All User Fees or other revenues specifically collected for the equipment replacement fund shall be deposited into the equipment replacement fund and used for replacement and major repair of equipment necessary for the operation of the Sewerage System, or for unexpected, unbudgeted costs incurred for continuing effective operations of the Sewerage System. Annual deposits shall be made to the equipment replacement fund in amounts sufficient to meet the equipment replacement itemized schedule developed by the Municipality or the percentage schedule option. The Project Manager Summary Page (Exhibit F) shall specify the required annual deposit or required minimum balance/percentage.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Sewerage System, the Municipality shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and approvals, and with this FAA, including, without limitation, the Statute, the Regulations, and the WPDES Permit.

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Sewerage System of which it is a part.

Section 5.05. Establishment of Project Accounts; Audits

(a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets and directions issued by the CWFP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose

reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.

(b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all CWFP funds for project number 4285-27, excluding engineering costs. All Loan proceeds shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Loan; produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be designated by any of them; permit extracts and copies of the Project records to be made by any of them; and fulfill information requests by any of them.

Section 5.06. Records The Municipality shall retain all files, books, documents, and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project and related records at all reasonable times, include provisions in all contracts permitting such access during construction and operation of the Sewerage System, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection The Municipality shall provide competent and adequate inspection of all Project construction under the direction of a professional engineer licensed by the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied unless such noncompliance is waived by DNR.

Section 5.09. Tax Covenants

(a) The Municipality covenants and agrees that it shall not take any action, or omit to take any action, which action or omission would result in the loss of the exclusion of the interest on any Municipal Obligations now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code or any successor provision.

(b) The Municipality shall not take any action, or omit to take any action, which action or omission would cause its Municipal Obligations to be "private activity bonds" within the meaning of Section 141(a) of the Code or any successor provision.

(c) The Municipality shall not directly or indirectly use, or permit the use of, any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds, or take any action, or omit to take any action, which use or action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or any successor provision. The Municipality hereby further covenants to ensure that all amounts actually received by such Municipality from the CWFP are advanced within three Business Days to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates, and that all amounts actually received by such Municipality from the CWFP shall not be invested in any interest-bearing account.

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(2) of the Code or any successor provision. Without limiting the foregoing, any proceeds of the Bonds used to repay interim or other prior financing of Project Costs shall be applied within three (3) Business Days of receipt of the proceeds to the payment of principal of such financing.

Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws, the Statute, and the Regulations in amounts such that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and maintaining the Project in accordance with this FAA, and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project in accordance with s. NR 162.08, Wis. Adm. Code. The Municipality covenants that it shall review the User Charge System at least every two years and shall revise and charge User Fees with respect to the Project such that the revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of: any material damage to or destruction of the Project or any part thereof; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Sewerage System; or any action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project, operate the Sewerage System, or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless, and defend DNR, DOA, and all their officers, employees, and agents, against any and all liability, claims, and costs of whatever kind and nature for injury to or death of any person or persons, and for loss or damage to any property occurring in connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, the Sewerage System, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

(a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.

(b) The Municipality shall incorporate the following provision into all Project contracts which have yet to be executed: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."

Section 5.14. Employees The Municipality or its employees or agents are not employees or agents of the DNR or DOA for any purpose, including worker's compensation.

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Loan. The Municipality shall have sufficient funds available when construction of the Project is completed to ensure effective operation and maintenance of the Project for purposes constructed.

Section 5.16. Management The Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the project construction site to ensure that the completed work conforms with the Plans and Specifications. The Municipality shall furnish construction progress reports and such other information as DNR may require for the Project.

Section 5.17. Reimbursement Any disbursement made under the Loan to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice stating the amount of excess funds disbursed.

Section 5.18. Unpaid User Fees The Municipality shall, to the fullest extent permitted by law, take all actions necessary to certify any unpaid User Fees to the county treasurer in order that such unpaid User Fees will be added as a special charge to the property tax bill of the user.

Section 5.19. Sewer Use Ordinance The Municipality shall comply with the provisions of the Sewer Use Ordinance, as certified in the Application. The Municipality covenants that it shall comply with and enforce all provisions of the Sewer Use Ordinance, as established pursuant to the Statute and Regulations.

Section 5.20. Rebates The Municipality agrees to pay to the CWFP any refunds, rebates, credits, or other amounts received for construction, miscellaneous, or closing Project Costs for which disbursement of funds has already been made by the CWFP. The CWFP shall then apply the amount it receives as a Loan prepayment.

Section 5.21. Maintenance of Legal Existence

(a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, or transfer all or substantially all of its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

(1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;

(2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Statute;

(3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the CWFP deems reasonably necessary to protect its environmental and credit interests; and

(4) the CWFP shall have consented in writing to such transaction, which consent may be withheld in the absolute discretion of the CWFP.

Section 5.22. Wage Rate Requirements The Municipality represents that it shall comply with Section 513 of the Federal Water Pollution Control Act (33 USC 1372), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by or assisted in whole or in part with CWFP Project funding shall be paid wages at rates not less than those prevailing on projects of a character similar in

the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.23. American Iron and Steel and Build America, Buy America The Municipality agrees to comply with all federal requirements applicable to the Project, including those imposed by the Infrastructure Investment and Jobs Act, which the Municipality understands requires that all iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (Build America, Buy America requirements) unless the Municipality requested and obtained a waiver from the cognizant agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver.

If the Municipality is exempt from Build America, Buy America requirements due to a waiver, the Municipality shall comply with the requirements for use of American Iron and Steel contained in section 608 of the Act for products used in the Project which are made primarily of iron and/or steel. If the Municipality is not exempt from Build America, Buy America requirements, EPA views the American Iron and Steel requirements as meeting the iron and steel product requirements of Build America, Buy America Section 70914.

The Municipality agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or the CWFP), such as records regarding performance indicators of program deliverables, information on costs, and Project progress reports. The Municipality understands that: (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities, and (ii) failure to comply with the applicable legal requirements and this FAA may result in a default hereunder that results in: a repayment of the assistance agreement in advance of the maturity of the Bonds; termination and/or repayment of grants, cooperative agreements, or direct assistance; or other remedial actions.

Section 5.24. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality under this FAA are considered to be subject to federal single audit requirements, but such consideration may change subsequent to this FAA if any changes are made to federal single audit requirements applicable to municipalities. To the extent applicable, the Municipality shall comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance). For auditor's reference, the CWFP Project falls under Catalog of Federal Domestic Assistance number 66.458.

Section 5.25. Bipartisan Infrastructure Law Signage The Municipality agrees to comply with all signage requirements as described in the Implementing the BIL Signage Requirement Packet (available at <https://dnr.wisconsin.gov/sites/default/files/topic/Aid/loans/BILsignageReqPacket.pdf>).

Section 5.26. Federal Equivalency Project The Municipality covenants that the work performed under this FAA shall comply with the Federal requirements applicable to activities supported with federal funds, a list of which is included as Exhibit H of this FAA.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when hand delivered or mailed by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below:

- (a) DEPARTMENT OF ADMINISTRATION
OFFICE OF CAPITAL FINANCE
CLEAN WATER FUND PROGRAM
101 EAST WILSON STREET 10TH FLOOR
MADISON WI 53702-0004
OR
PO BOX 7864
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE
101 SOUTH WEBSTER STREET CF/2
MADISON WI 53702-0005
OR
PO BOX 7921
MADISON WI 53707-7921
- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-229
- (d) CITY OF RACINE
800 CENTER STREET, ROOM 227
RACINE WI 53403-1481

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by notice in writing given to the others. Any notice herein shall be delivered simultaneously to DNR and DOA.

Section 6.02. Binding Effect This FAA shall be for the benefit of, and shall be binding upon, the CWFP and the Municipality and their respective successors and assigns.

Section 6.03. Severability In the event any provision of this FAA shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional loans for the Project by the CWFP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the CWFP (by DNR and DOA acting under authority of the Statute) and the Municipality.

Section 6.05. Execution in Counterparts This FAA may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.06. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Statute.

Section 6.07. Benefit of Financial Assistance Agreement This FAA is executed, among other reasons, to induce the purchase of the Municipal Obligations. Accordingly, all duties, covenants, obligations, and agreements of the Municipality herein contained are hereby declared to be for the benefit of, and are enforceable by, the CWFP, the Trustee, or their authorized agents.

Section 6.08. Further Assurances The Municipality shall, at the request of DNR and DOA, authorize, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming the rights, security interests, and agreements granted or intended to be granted by this FAA and the Municipal Obligations.

Section 6.09. Assignment of Municipal Obligations The Municipality hereby agrees that the Municipal Obligations may be sold, transferred, pledged, or hypothecated to any third party without the consent of the Municipality.

Section 6.10. Covenant by Municipality as to Compliance with Program Resolution The Municipality covenants and agrees that it shall comply with the provisions of the Program Resolution with respect to the Municipality and that the Trustee and the owners of the Bonds shall have the power and authority provided in the Program Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the Program Resolution.

Section 6.11. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

- (a) The CWFP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to unilaterally terminate all or any part of the Project work for which the Loan has been awarded, the Municipality shall promptly give written notice to DNR. If the CWFP determines that there is a reasonable basis for the requested termination, the CWFP may enter into a termination agreement, including provisions for FAA termination costs, effective with the date of cessation of the Project work by the Municipality. If the CWFP determines that the Municipality has ceased work on the Project without reasonable basis, the CWFP may unilaterally terminate financial assistance or rescind this FAA.

Section 6.12. Rescission The CWFP may rescind this FAA prior to the first disbursement of any funds hereunder if it determines that:

- (a) there has been substantial non-performance of the Project work by the recipient without justification under the circumstances;
- (b) there is substantial evidence this FAA was obtained by fraud;
- (c) there is substantial evidence of gross abuse or corrupt practices in the administration of the Project;
- (d) the Municipality has failed to comply with the covenants contained in this FAA; or
- (e) any of the representations of the Municipality contained in this FAA were false in any material respect.

IN WITNESS WHEREOF, the CWFP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF RACINE

By: _____
Cory Mason
Mayor

By: _____
Kathleen Fischer
Director of Finance

Attest: _____
Tara McMenamin
City Clerk

Attest: _____
Scott Letteney
City Attorney

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A
PROJECT BUDGET SHEET

CITY OF RACINE
CWFP Project No. 4285-27

	Combined Total Project Costs (A)	Eligible Costs Paid with Focus on Energy Award	Engineering Costs Funded Under CWFP Project No. 4285-99	Net CWFP Loan Amount for this Project No. 4285-27
Force Account	0	0	0	0
Interim Financing Costs	0	0	0	0
Preliminary Engineering	3,286,000	0	3,286,000	0
Land or Easement Acquisition	0	0	0	0
Engineering/Construction Mgmt	2,093,275	0	2,093,275	0
Construction/Equipment	19,146,243	77,097	0	19,069,146
Contingency	934,592	0	0	934,592
Miscellaneous Costs	698	0	0	698
CWFP Closing Costs	34,000	0	0	34,000
Total	\$25,494,808	\$77,097	\$5,379,275	\$20,038,436

A = The "Combined Total Project Costs" column shows the total of all costs for the planning, design, construction, miscellaneous, and loan closing portions of the Project. The Project is being funded by two separate FAAs. See Exhibit F for details regarding the split of Project costs.

Racine, Wisconsin

Exhibit B-1

Project 4285-27 Clean Water Fund Program

Loan Closing Date:

October 11, 2023

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Principal & Interest</u>	<u>Bond Year Debt Service</u>	<u>Calendar Year Debt Service</u>
1-May-24	0.00	2.190%	243,800.97	243,800.97	243,800.97	0.00
1-Nov-24	0.00	2.190%	219,420.87	219,420.87	0.00	463,221.84
1-May-25	861,750.70	2.190%	219,420.87	1,081,171.57	1,300,592.44	0.00
1-Nov-25	0.00	2.190%	209,984.70	209,984.70	0.00	1,291,156.27
1-May-26	880,623.04	2.190%	209,984.70	1,090,607.74	1,300,592.44	0.00
1-Nov-26	0.00	2.190%	200,341.88	200,341.88	0.00	1,290,949.62
1-May-27	899,908.68	2.190%	200,341.88	1,100,250.56	1,300,592.44	0.00
1-Nov-27	0.00	2.190%	190,487.88	190,487.88	0.00	1,290,738.44
1-May-28	919,616.68	2.190%	190,487.88	1,110,104.56	1,300,592.44	0.00
1-Nov-28	0.00	2.190%	180,418.08	180,418.08	0.00	1,290,522.64
1-May-29	939,756.29	2.190%	180,418.08	1,120,174.37	1,300,592.45	0.00
1-Nov-29	0.00	2.190%	170,127.75	170,127.75	0.00	1,290,302.12
1-May-30	960,336.95	2.190%	170,127.75	1,130,464.70	1,300,592.45	0.00
1-Nov-30	0.00	2.190%	159,612.06	159,612.06	0.00	1,290,076.76
1-May-31	981,368.33	2.190%	159,612.06	1,140,980.39	1,300,592.45	0.00
1-Nov-31	0.00	2.190%	148,866.07	148,866.07	0.00	1,289,846.46
1-May-32	1,002,860.29	2.190%	148,866.07	1,151,726.36	1,300,592.43	0.00
1-Nov-32	0.00	2.190%	137,884.75	137,884.75	0.00	1,289,611.11
1-May-33	1,024,822.93	2.190%	137,884.75	1,162,707.68	1,300,592.43	0.00
1-Nov-33	0.00	2.190%	126,662.94	126,662.94	0.00	1,289,370.62
1-May-34	1,047,266.56	2.190%	126,662.94	1,173,929.50	1,300,592.44	0.00
1-Nov-34	0.00	2.190%	115,195.37	115,195.37	0.00	1,289,124.87
1-May-35	1,070,201.69	2.190%	115,195.37	1,185,397.06	1,300,592.43	0.00
1-Nov-35	0.00	2.190%	103,476.67	103,476.67	0.00	1,288,873.73
1-May-36	1,093,639.11	2.190%	103,476.67	1,197,115.78	1,300,592.45	0.00
1-Nov-36	0.00	2.190%	91,501.32	91,501.32	0.00	1,288,617.10
1-May-37	1,117,589.81	2.190%	91,501.32	1,209,091.13	1,300,592.45	0.00
1-Nov-37	0.00	2.190%	79,263.71	79,263.71	0.00	1,288,354.84
1-May-38	1,142,065.02	2.190%	79,263.71	1,221,328.73	1,300,592.44	0.00
1-Nov-38	0.00	2.190%	66,758.10	66,758.10	0.00	1,288,086.83
1-May-39	1,167,076.25	2.190%	66,758.10	1,233,834.35	1,300,592.45	0.00
1-Nov-39	0.00	2.190%	53,978.61	53,978.61	0.00	1,287,812.96
1-May-40	1,192,635.22	2.190%	53,978.61	1,246,613.83	1,300,592.44	0.00
1-Nov-40	0.00	2.190%	40,919.26	40,919.26	0.00	1,287,533.09
1-May-41	1,218,753.93	2.190%	40,919.26	1,259,673.19	1,300,592.45	0.00
1-Nov-41	0.00	2.190%	27,573.90	27,573.90	0.00	1,287,247.09
1-May-42	1,245,444.64	2.190%	27,573.90	1,273,018.54	1,300,592.44	0.00
1-Nov-42	0.00	2.190%	13,936.28	13,936.28	0.00	1,286,954.82
1-May-43	1,272,719.88	2.190%	13,936.28	1,286,656.16	1,300,592.44	1,286,656.16

Totals 20,038,436.00 4,916,621.37 24,955,057.37 24,955,057.37 24,955,057.37

Net Interest Rate 2.1900%
 Bond Years 224,503.2697
 Average Life 11.2036

The above schedule assumes full disbursement of the loan on the loan closing date.
 06-Sep-23 Wisconsin Department of Administration

Racine, Wisconsin

Exhibit B-2

Projects 4285-27 & 4285-99 Clean Water Fund Program

Loan Closing Date:

October 11, 2023

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-24	0.00	2.190%	284,307.15	284,307.15	284,307.15	0.00
1-Nov-24	0.00	2.190%	255,876.44	255,876.44	0.00	540,183.59
1-May-25	1,004,925.79	2.190%	255,876.44	1,260,802.23	1,516,678.67	0.00
1-Nov-25	0.00	2.190%	244,872.50	244,872.50	0.00	1,505,674.73
1-May-26	1,026,933.67	2.190%	244,872.50	1,271,806.17	1,516,678.67	0.00
1-Nov-26	0.00	2.190%	233,627.57	233,627.57	0.00	1,505,433.74
1-May-27	1,049,423.52	2.190%	233,627.57	1,283,051.09	1,516,678.66	0.00
1-Nov-27	0.00	2.190%	222,136.39	222,136.39	0.00	1,505,187.48
1-May-28	1,072,405.89	2.190%	222,136.39	1,294,542.28	1,516,678.67	0.00
1-Nov-28	0.00	2.190%	210,393.54	210,393.54	0.00	1,504,935.82
1-May-29	1,095,891.58	2.190%	210,393.54	1,306,285.12	1,516,678.66	0.00
1-Nov-29	0.00	2.190%	198,393.53	198,393.53	0.00	1,504,678.65
1-May-30	1,119,891.61	2.190%	198,393.53	1,318,285.14	1,516,678.67	0.00
1-Nov-30	0.00	2.190%	186,130.72	186,130.72	0.00	1,504,415.86
1-May-31	1,144,417.23	2.190%	186,130.72	1,330,547.95	1,516,678.67	0.00
1-Nov-31	0.00	2.190%	173,599.35	173,599.35	0.00	1,504,147.30
1-May-32	1,169,479.97	2.190%	173,599.35	1,343,079.32	1,516,678.67	0.00
1-Nov-32	0.00	2.190%	160,793.54	160,793.54	0.00	1,503,872.86
1-May-33	1,195,091.58	2.190%	160,793.54	1,355,885.12	1,516,678.66	0.00
1-Nov-33	0.00	2.190%	147,707.29	147,707.29	0.00	1,503,592.41
1-May-34	1,221,264.09	2.190%	147,707.29	1,368,971.38	1,516,678.67	0.00
1-Nov-34	0.00	2.190%	134,334.45	134,334.45	0.00	1,503,305.83
1-May-35	1,248,009.77	2.190%	134,334.45	1,382,344.22	1,516,678.67	0.00
1-Nov-35	0.00	2.190%	120,668.74	120,668.74	0.00	1,503,012.96
1-May-36	1,275,341.18	2.190%	120,668.74	1,396,009.92	1,516,678.66	0.00
1-Nov-36	0.00	2.190%	106,703.75	106,703.75	0.00	1,502,713.67
1-May-37	1,303,271.16	2.190%	106,703.75	1,409,974.91	1,516,678.66	0.00
1-Nov-37	0.00	2.190%	92,432.94	92,432.94	0.00	1,502,407.85
1-May-38	1,331,812.79	2.190%	92,432.94	1,424,245.73	1,516,678.67	0.00
1-Nov-38	0.00	2.190%	77,849.59	77,849.59	0.00	1,502,095.32
1-May-39	1,360,979.50	2.190%	77,849.59	1,438,829.09	1,516,678.68	0.00
1-Nov-39	0.00	2.190%	62,946.86	62,946.86	0.00	1,501,775.95
1-May-40	1,390,784.95	2.190%	62,946.86	1,453,731.81	1,516,678.67	0.00
1-Nov-40	0.00	2.190%	47,717.76	47,717.76	0.00	1,501,449.57
1-May-41	1,421,243.13	2.190%	47,717.76	1,468,960.89	1,516,678.65	0.00
1-Nov-41	0.00	2.190%	32,155.15	32,155.15	0.00	1,501,116.04
1-May-42	1,452,368.36	2.190%	32,155.15	1,484,523.51	1,516,678.66	0.00
1-Nov-42	0.00	2.190%	16,251.72	16,251.72	0.00	1,500,775.23
1-May-43	1,484,175.23	2.190%	16,251.72	1,500,426.95	1,516,678.67	1,500,426.95
Totals	23,367,711.00		5,733,490.81	29,101,201.81	29,101,201.81	29,101,201.81
			Net Interest Rate	2.1900%		
			Bond Years	261,803.2429		
			Average Life	11.2036		

The above schedule assumes full disbursement of the loan on the loan closing date.
06-Sep-23 Wisconsin Department of Administration

Loan Payment Schedule Comments

Please review the preceding loan payment schedule. It shows the dates of your first interest and principal payments. The preceding loan payment schedule assumes you draw all the loan funds on the loan closing date. Borrowers often draw loan funds over time. Interest only accrues on the funds disbursed and only after the date of each disbursement.

You can view your payment schedule based on disbursements to date at <http://eif.doa.wi.gov/>. Select Loan Payment Schedule on the lower half of the page. You can also request loan payment information from doaeif@wisconsin.gov.

You can generate additional reports at <http://eif.doa.wi.gov/>.

<u>Available Report</u>	<u>Information Provided</u>
Auditor Verification Report	Information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance.
Loan Payment Schedule	Future principal and interest payments for disbursements.
Payment History	Past principal and interest payments.
Disbursement History	Past loan and grant disbursements.

Use the Output to Excel button at the bottom of the page to create your report in Microsoft Excel. Find details on generating reports at <http://eif.doa.wi.gov/siteDescr.htm>.

The Environmental Improvement Fund sends invoices semi-annually. You will receive an invoice approximately 45 days prior to the due date. If you have multiple loans, we will send a single invoice showing the payment amount for each loan.

May 1: principal and interest payments due
November 1: interest payments due

For more information about your payment schedule, please email doaeif@wisconsin.gov. The first available staff will respond to your inquiry.

EXHIBIT C

FORM OF LOAN DISBURSEMENT TABLE

<u>Amount of Disbursement</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____

EXHIBIT D

OPERATING CONTRACTS

As of the date of this FAA, the Municipality does not have any contracts with private entities or other governmental units to operate its Sewerage System.

EXHIBIT E

ENVIRONMENTAL IMPROVEMENT FUND
 CONTRACT UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)

MANDATORY PROJECT CLOSEOUT DOCUMENT

Note: This form is authorized by s. NR 162.14(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (s. 19.31 – 19.39, Wis. Stats.).

Municipality Name: City of Racine	Project Numbers: 4285-27 and 4285-99	Total Loan/Grant Amount: \$25,494,808
Project Description: Upgrade Wastewater Treatment Plant Phase 1		
Did the municipality satisfy the MBE/WBE requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If no, refer to Exhibit F-Project Manager Summary Page.)		

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Lee Mechanical, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	13,851,243	
Sub: Platt Construction	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other	Construction	3,281,296	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: August Winter & Sons, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	5,295,000	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

Professional/Technical Services Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Short Elliott Hendrickson, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	506,800	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: Carollo Engineers, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	2,039,775	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: AECOM Technical Services, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	2,832,700	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

*Type of Product or Service examples: landscaping, trucking, supplies, equipment, paving, concrete, plumbing, electrical, excavating, testing, design, etc.

Name of Person Completing This Form	Email Address	Phone Number
-------------------------------------	---------------	--------------

Certification		
I certify that, to the best of my knowledge and belief, the information provided on this form is complete and correct.		
Name/Title of Municipal Official	Signature	Date Signed

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF RACINE
CWFP Project No. 4285-27

1. **Project Description:** The Project is composed of three parts. First, the ultraviolet (UV) disinfection system replacement portion includes replacement of the existing UV light disinfection system with a new UV disinfection system of the same design flow, demolition of the existing UV disinfection system equipment and metering vault, construction of a new UV disinfection building, and conversion of the existing UV disinfection buildings to new electrical rooms. Second, the blower and engine-generator portion of the Project includes installation of a new blower and an engine/generator in an existing building, as well as installation of new air flow control valves and associated air flow meters. Finally, the biogas conditioning portion of the Project includes installation of new gas conditioning equipment for removal of moisture, hydrogen sulfide, and siloxanes from anaerobic digester biogas. All construction, contingency, miscellaneous, and closing costs for the Project are included in this FAA. The CWFP loan for project number 4285-99 includes all engineering costs associated with this Project.
2. **Ineligible Costs:** No ineligible costs were identified in the review of this Project. If the Department identifies ineligible costs as the Project progresses, the Department will notify the Municipality.
3. **Other Funding Sources:** The FAA for CWFP project number 4285-99, which totals \$5,379,275, is funding all of the engineering costs associated with the overall Project. This Project also includes \$77,097 of eligible construction costs paid with a Focus on Energy grant.
4. **Miscellaneous Costs:** As shown in the Project Budget Sheet (Exhibit A), CWFP funding in the amount of \$698 is included in the Miscellaneous category for bid advertising.
5. **Contingency Allowance:** The contingency allowance of \$934,592 is five percent of the amount of uncompleted construction work. The Municipality must obtain CME approval of change orders prior to requesting reimbursement.
6. **Equipment Replacement Fund:** The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. The required minimum percentage shall be 40% resulting in a minimum balance of \$695,826.40. The Municipality has a maximum of three years from the first principal payment on the construction Loan to achieve the required minimum balance/percentage.
7. **DBE Good Faith Effort:** The Municipality made a good faith effort by encouraging DBEs to apply in the bid advertisement. The contractor made a good faith effort by directly reaching out to DBEs and encouraging them to submit bids. Platt Construction, a minority business enterprise, is performing \$3,281,296 of general construction work on this Project.
8. **Green Project Reserve:** UV disinfection upgrade is reducing total energy use by 54% due to the more efficient UV disinfection system and advanced controls to optimize the system's energy use.

Green Infrastructure	\$0
Water Efficiency	\$0
Energy Efficiency	\$11,998,243
Environmentally Innovative	\$0
TOTAL Green Project Reserve Funding	\$11,998,243

9. **Build America, Buy America:** This Project is subject to the Build America, Buy America requirements of Title IX of the Infrastructure Investment and Jobs Act, Public Law No. 117-58, §§ 70901-52. If this Project is exempt from Build America, Buy America requirements under a project specific or general

applicability waiver, the Project is still subject to American Iron and Steel requirements of Section 608 of the Act.

10. Federal Single Audit: The construction portion (FAA 4285-27) of the Project is expected to be funded with federal funds and is subject to the Federal Single Audit requirements referenced in Section 5.24 of this FAA. If the Municipality receives more than \$750,000 of money that originated from any federal sources in a calendar year, then it must commission a Federal Single Audit as part of its regular financial audit. The Catalog of Federal Domestic Assistance number is 66.458 for wastewater project disbursements funded with federal money.

11. Composite Interest Rate:

<i>For combined costs of 4285-27 and 4285-99.</i>	Interest Rate Category	Loan Dollars in FAA (A)	Portion of Loan Dollars in FAA (B)	Current CWFP Interest Rates (C)	Weighted Interest Rates (D)
	Subsidized	\$22,764,548	97.419%	2.145%	2.090%
	Market Rate	\$603,162	2.581%	3.900%	0.101%
Total Loan Dollars in FAA =		\$23,367,710	Composite Interest Rate = 2.190%		
Market Rate Costs Not in FAA =		\$0			
Other Project Costs Not in FAA =		\$0			
Total Project Costs =		\$23,367,710			
<p>(A) Subsidized categories are all categories that are less than market interest rate. (B) Equals (A) divided by "Total Loan Dollars in FAA". (C) CWFPP interest rates in effect on date of municipal meeting at which bond resolution passed. (D) Equals (B) multiplied by (C).</p>					

EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Racine (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project No. 4285-27 (the "Project"), the Municipality has met the prevailing wage rate requirements of the Davis-Bacon Act.

The Municipality further certifies that, after taking into account any national or project-specific waivers approved by the U.S. Environmental Protection Agency, DNR Project No. 4285-27 has met the requirements for Build America, Buy America of the Infrastructure Investment and Jobs Act, Public Law No. 117-58, §§ 70901-52, and the use of American Iron and Steel contained in section 608 of the Federal Water Pollution Control Act, as amended.

The above certification is determined, after due and diligent investigation, to be true and accurate to the best of my knowledge.

By: _____
[Name of Municipal Official or
Authorized Representative]
[Title]

Dated as of: _____

Attest: _____
[Name of Clerk or Secretary]
[Title]

Dated as of: _____

EXHIBIT H

LIST OF FEDERAL LAWS AND AUTHORITIES

ENVIRONMENTAL:

- Archaeological and Historic Preservation Act of 1974, PL 93-291
- Clean Air Act, 42 U.S.C. 7506(c)
- Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq.
- Coastal Zone Management Act of 1972, PL 92-583, as amended
- Endangered Species Act, 16 U.S.C. 1531 et seq.
- Executive Order 11593, Protection and Enhancement of the Cultural Environment
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands
- Farmland Protection Policy Act, 7 U.S.C. 4201 et seq.
- Fish and Wildlife Coordination Act, PL 85-624, as amended
- National Historic Preservation Act of 1966, PL 89-665, as amended
- Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended
- Wild and Scenic Rivers Act, PL 90-542, as amended

ECONOMIC:

- Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans

SOCIAL LEGISLATION:

- Age Discrimination Act, PL 94-135
- Civil Rights Act of 1964, PL 88-352
- Section 13 of PL 92-500, Prohibition against sex discrimination under the Federal Water Pollution Control Act
- Executive Order 11246, Equal Employment Opportunity
- Executive Orders 11625, 12138 and 12432, Women and Minority Business Enterprise
- Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 and 11250)

MISCELLANEOUS AUTHORITY:

- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646
- Executive Order 12549, Debarment and Suspension
- Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards (Uniform Guidance)



September 12, 2023

NATE TILLIS, UTILITY DIRECTOR
CITY OF RACINE
800 CENTER STREET, ROOM 227
RACINE WI 53403-1481

SUBJECT: Clean Water Fund Program, Project No. 4285-99
Upgrade Wastewater Treatment Plant Phase 1: AE Only
Financial Assistance Agreement – October 11, 2023

Dear Mr. Tillis:

Your project manager prepared the following documents for your Clean Water Fund Program (CWFP) loan closing:

1. CWFP Loan Closing Schedule - Attachment 1
- 2. Financial Assistance Agreement Summary/Distribution Sheet - Attachment 2
3. Financial Assistance Agreement (FAA)

To close the loan on October 11, 2023, we need to follow the Loan Closing Schedule (Attachment 1).

The City of Racine has three (3) working days upon receipt of wired CWFP funds to do one or more of the following:

1. Pay the project invoices identified in the CWFP disbursement request.
2. Reimburse an internal municipal account from which eligible project costs were paid. This reimbursement must adhere to current U.S. Treasury Regulations.
3. Disburse payments to the bank or financial institution for projects that are being refinanced.

Execution of the FAA creates a binding obligation in all respects. Any negotiation of terms and conditions or determinations must occur prior to adoption of the Municipal Obligation Resolution and execution of the enclosed FAA document.

The Project Manager Summary Page (Exhibit F of the FAA) further explains certain assumptions and decisions affecting preparation of your FAA.

Please contact your project manager, Blythe Cassidy, at 608-640-0509, for assistance with execution of the FAA, Request for Disbursement ([Form 8700-215](#)), or other CWFP documents.

Thank you for your interest in the Clean Water Fund Program.

Sincerely,

Becky Scott, Section Manager
Environmental Loans Section
Bureau of Community Financial Assistance

Electronic Copies:

Rebecca Speckhard, Quarles & Brady LLP - Milwaukee
Ed Maxwell, Ruckert-Mielke, Inc. - Madison
Brent Binder - DNR SE/Milwaukee
Capital Finance Office - DOA/10

Clean Water Fund Program Project No. 4285-99
City of Racine
Upgrade Wastewater Treatment Plant Phase 1: AE Only
Financial Assistance Agreement – Closing Schedule

By August 29, 2023:

- Department of Natural Resources (DNR) project manager distributes Financial Assistance Agreement (FAA) to Department of Administration (DOA) for review.

By September 12, 2023:

- Quarles & Brady LLP distributes draft Municipal Obligation Resolution and other bond documents to the City of Racine and DOA for review. Project manager mails FAA to municipality.

On September 19, 2023:

- Municipality holds properly noticed Wastewater Commission Meeting to approve the FAA.

On September 25, 2023:

- Municipality holds properly noticed Finance Committee Meeting to approve the FAA.

On October 3, 2023:

- Municipality holds properly noticed meeting at which time:
 1. Municipal Obligation Resolution is adopted.
 2. Bond related documents are signed by municipal officials.
 3. DNR FAA (printed single sided) is signed by municipal officials.

*NOTE: Most documents must be signed by Highest Elected Official & Clerk/Secretary and some documents must have municipal seal applied. **Do not sign any Exhibits.***

By October 4, 2023 VIA OVERNIGHT DELIVERY:

- 1. Municipality scans FAA signature page and sends via e-mail to Quarles & Brady LLP and Blythe Cassidy.
 2. Municipality returns signed paper FAA via overnight delivery to Quarles & Brady LLP.
 3. Municipality delivers signed & sealed Resolution & other bond documents via overnight delivery to Quarles & Brady LLP.

By October 9, 2023:

- Quarles & Brady LLP sends final signed and sealed bond documents and legal opinion to DOA.

October 11, 2023:

- Loan Closing Day. Quarles & Brady LLP contacts municipality and DOA to confirm that closing may proceed, and DOA wire transfers the first disbursement to municipal bank account.

Clean Water Fund Program Project No. 4285-99
City of Racine
Upgrade Wastewater Treatment Plant Phase 1: AE Only
Financial Assistance Agreement Summary
Distribution Sheet

FINANCIAL ASSISTANCE INFO

Total Project Amount: \$5,379,275

Principal Forgiveness Amount: \$2,050,000 Net CWFP Loan Amount: \$3,329,275

Pledge: Sewer System Revenue Lien Priority: Senior-Parity

Federal Equivalency Project Yes No

Composite Interest Rate: 2.190% Loan Term: 20 Years

DOCUMENT INFO

Date of Municipal Obligation Resolution – October 3, 2023

CLOSING INFO

Refinancing: None Date of Refinancing: N/A

Estimated First Disbursement: \$289,150.29

DISTRIBUTION

Department of Natural Resources

Blythe Cassidy
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison WI 53707-7921
608-640-0509
blythe.cassidy@wisconsin.gov

Department of Administration

Andrea Ceron
State of Wisconsin DOA Capital Finance Office
101 East Wilson Street, 10th Floor
PO Box 7864
Madison WI 53707-7864
608-267-0374
andrea.ceron@wisconsin.gov

Municipality

Nate Tillis
City of Racine
800 Center Street, Room 227
Racine WI 53403-1481
262-636-9101
nate.tillis@cityofracine.org

Engineering Firm

Ed Maxwell
Ruekert-Mielke, Inc.
4630 South Biltmore Lane
Madison WI 53718
262-953-4162
EMaxwell@ruekert-mielke.com

Municipal Bond Counsel

Rebecca Speckhard
Quarles & Brady LLP
411 East Wisconsin Avenue Suite 2400
Milwaukee WI 53202-4426
414-277-5000
rebecca.speckhard@quarles.com

FINANCIAL ASSISTANCE AGREEMENT (FAA) EXCERPTS

Clean Water Fund Program
Project No. 4285-99

Municipality: City of Racine

Municipal ID: 51276

Plans and Specifications: S-2022-0750, approved October 12, 2022; S-2022-0809, approved October 13, 2022; S-2022-0784, approved November 4, 2022;

Municipal Meeting Date: October 3, 2023

Loan Closing Date: October 11, 2023

Substantial Completion Date: January 31, 2025

Pledge: Sewer System Revenue bond with a par amount of \$3,329,275

Priority: Senior-Parity

Interest Rate: 2.190%

Refunding: None

Estimated First Disbursement: \$289,150.29

Loan Term: 20 Years

State of Wisconsin
Department of Natural Resources
Bureau of Community Financial Assistance
101 South Webster Street, 2nd Floor
PO Box 7921
Madison, Wisconsin 53707-7921

Financial Assistance Agreement
Clean Water Fund Program
Form 8700-214 rev 06/23

STATE OF WISCONSIN CLEAN WATER FUND PROGRAM
ENGINEERING FINANCIAL ASSISTANCE AGREEMENT WITH PRINCIPAL FORGIVENESS

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF ADMINISTRATION

and

CITY OF RACINE

\$5,379,275 With up to \$2,050,000 PRINCIPAL FORGIVENESS

FINANCIAL ASSISTANCE AGREEMENT

Dated as of October 11, 2023

This constitutes a **Financial Assistance Agreement** under the State of Wisconsin's Clean Water Fund Program. This agreement is awarded pursuant to ss. 281.58 and 281.59, Wis. Stats. The purpose of this agreement is to award financial assistance from the Clean Water Fund Program. This agreement also discloses the terms and conditions of this award.

This agreement is only effective when signed by authorized officers of the municipality, the State of Wisconsin Department of Natural Resources, and the State of Wisconsin Department of Administration.

The Department of Natural Resources and the Department of Administration may rescind or terminate this agreement if the municipality fails to comply with the terms and conditions contained within. Any determination or certification made in this agreement by the Department of Natural Resources or the Department of Administration is made solely for the purpose of providing financial assistance under the Clean Water Fund Program.

Municipal Identification No. 51276
Clean Water Fund Program Project No. 4285-99

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WITNESSETH:

WHEREAS, this is a FINANCIAL ASSISTANCE AGREEMENT (the "FAA"), dated October 11, 2023, between the STATE OF WISCONSIN Clean Water Fund Program (the "CWFP"), by the Department of Natural Resources (the "DNR") and the Department of Administration (the "DOA"), acting under authority of ss. 281.58 and 281.59, Wis. Stats., as amended (the "Statute"), and the City of Racine, a municipality within the meaning of the Statute, duly organized and existing under the laws of the State of Wisconsin (the "Municipality"); and

WHEREAS, the United States, pursuant to the Federal Water Quality Act of 1987 (the "Water Quality Act"), requires each state to establish a water pollution control revolving fund to be administered by an instrumentality of the state before the state may receive capitalization grants for eligible projects from the United States Environmental Protection Agency (the "EPA"), or any successor which may succeed to the administration of the program established by Title VI of the Water Quality Act; and

WHEREAS, the State of Wisconsin, pursuant to the Statute, established the CWFP to be used in part for purposes of the Water Quality Act; and

WHEREAS, the State of Wisconsin, pursuant to s. 25.43, Wis. Stats., established a State of Wisconsin Environmental Improvement Fund which includes the CWFP; and

WHEREAS, DNR and DOA have the joint responsibility to provide CWFP financial assistance to municipalities for the planning, design, and construction of eligible wastewater pollution abatement projects, all as set forth in the Statute; and

WHEREAS, the Municipality submitted to DNR an application for financial assistance (the "Application") for a project (the "Project"), and DNR has approved the Application and determined the Application meets the criteria for Project eligibility based on water quality and public health requirements established in applicable state statutes and regulations; and

WHEREAS, DNR determined that the Municipality and the Project are eligible for financial assistance pursuant to s. 281.58(7)(b), Wis. Stats.; and

WHEREAS, DOA determined the CWFP will provide financial assistance for engineering costs to the Municipality by making a loan (the "Loan") under s. 281.59(9), Wis. Stats., for the purposes of that subsection, and providing principal forgiveness of a portion of the Loan, and DOA intends to provide additional financial assistance under another financial assistance agreement for construction costs of the Project; and

WHEREAS, the Municipality pledged the security, if any, required by DOA, and the Municipality demonstrated to the satisfaction of DOA the financial capacity to ensure sufficient revenues to operate and maintain the Project for its useful life and to pay debt service on the obligations it issues for the Project; and

WHEREAS, the Municipality certifies to the CWFP that it has created a dedicated source of revenue, which may constitute taxes levied by the Municipality for repayment of the Loan; and

WHEREAS, the Municipality obtained DNR approval of facility plans or engineering reports, and plans and specifications for the Project, subject to the provisions of applicable State environmental standards set forth in law, rules, and regulations;

NOW, THEREFORE, in consideration of the promises and of the mutual representations, covenants, and agreements herein set forth, the CWFP and the Municipality, each binding itself, its successors, and its assigns, do mutually promise, covenant, and agree as follows:

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions The following capitalized terms as used in this FAA shall have the following meanings:

"Act" means the Federal Water Pollution Control Act, 33 U.S. Code §§1250 et seq., as amended.

"American Iron and Steel" means the requirements contained in section 608 of the Act.

"Application" means the written application of the Municipality dated September 30, 2022, for financial assistance under the Statute.

"Bonds" means bonds or notes issued by the State pursuant to the Program Resolution, all or a portion of the proceeds of which shall be applied to make the Loan.

"Build America, Buy America" means Title IX of the Infrastructure Investment and Jobs Act, Publ. L. No. 117-58, §§ 70901-52.

"Business Day" means any day on which State offices are open to conduct business.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"CWFP" means the State of Wisconsin Clean Water Fund Program, established pursuant to the Statute, and managed and administered by DNR and DOA.

"DNR" means the State of Wisconsin Department of Natural Resources and any successor entity.

"DOA" means the State of Wisconsin Department of Administration and any successor entity.

"EPA" means the United States Environmental Protection Agency or any successor entity that may succeed to the administration of the program established by Title VI of the Water Quality Act.

"FAA" means this Financial Assistance Agreement.

"Fees and Charges" means the costs and expenses of DNR and DOA in administering the CWFP.

"Final Completion" means the Project construction is complete, DNR or agents thereof have certified that the Project was constructed according to DNR approved Plans and Specifications and that the facilities are operating according to design, and DNR has completed all necessary Project closeout procedures.

"Financial Assistance" means any proceeds provided under this Financial Assistance Agreement in the form of a Loan of which part of the principal will be forgiven.

"Financial Assistance Agreement" means this engineering-only Financial Assistance Agreement between the CWFP by DNR, DOA, and the Municipality, as the same may be amended from time to time in accordance with Section 6.04 hereof.

"Loan" means the loan or loans made by the CWFP to the Municipality of which a portion of the principal will be forgiven pursuant to this FAA.

"Loan Disbursement Table" means the table, the form of which is included as Exhibit C hereto, with columns for inserting the following information:

- (a) amount of each disbursement,
- (b) date of each disbursement,

- (c) the series of Bonds from which each disbursement is made,
- (d) principal amounts repaid, and
- (e) outstanding principal balance.

"Municipal Obligation Counsel Opinion" means the opinion of counsel satisfactory to DOA, issued in conjunction with the Municipal Obligations, stating that:

- (a) this FAA and the performance by the Municipality of its obligations thereunder have been duly authorized by all necessary actions by the governing body of the Municipality, and this FAA has been duly executed and delivered by the Municipality;
- (b) the Municipal Obligations have been duly authorized, executed, and delivered by the Municipality and sold to the CWFP;
- (c) each of this FAA and the Municipal Obligations constitutes a legal, valid, and binding obligation of the Municipality, enforceable against the Municipality in accordance with its respective terms (provided that enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that its enforcement may also be subject to the exercise of judicial discretion in appropriate cases);
- (d) the Municipal Obligations constitute special obligations of the Municipality secured as to payment of principal, interest, and redemption price by the pledged revenues as set forth therein;
- (e) interest on the Municipal Obligations is not included in gross income of the owners thereof for federal income taxation purposes under existing laws, regulations, rulings, and judicial decisions;
- (f) the Municipal Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code and the arbitrage regulations; and
- (g) the Municipal Obligations are not "private activity bonds" as defined in Section 141(a) of the Code.

"Municipal Obligation Resolution" means that action taken by the governing body of the Municipality authorizing the issuance of the Municipal Obligations.

"Municipal Obligations" means the bonds or notes issued and delivered by the Municipality to the CWFP, a specimen copy of which is included in the Municipal Obligations transcript in exchange for the portion of the Loan which is not subject to Principal Forgiveness.

"Municipality" means the City of Racine, a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and any successor entity.

"Parity Obligations" means the Municipality's \$3,481,931 Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008; its \$2,657,592 Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010; its \$531,270 Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018; its \$13,088,291 Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018; its \$933,858 Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021; its \$5,749,015 Wastewater Utility Revenue Bonds, Series 2023 A, dated September 27, 2023; and any other obligations issued on a parity with the Municipal Obligations as part of the same series of revenue bonds or pursuant to the restrictive provisions of Section [11] of the Municipal Obligation Resolution.

"Plans and Specifications" means the Project design plans and specifications assigned No. S-2022-0809 approved by DNR October 13, 2022, S-2022-0750, approved October 12, 2022, and S-2022-0784, approved November 4, 2022, as the same may be amended or modified from time to time in accordance with this FAA.

"Principal Forgiveness" means Financial Assistance received in the form of forgiveness of Loan principal pursuant to the Act, Regulations, and this FAA of which no repayment thereof shall be required except as may be required pursuant to the Act, Statute, Regulations, or this FAA. The total amount of principal forgiveness available for this Project as of the date of this FAA is \$2,050,000, including \$2,000,000 of general principal forgiveness and \$50,000 of priority principal forgiveness for energy efficiency. The applicable percentage of general principal forgiveness for this Project, as shown on the Final Funding List, is 55%. The general principal forgiveness allocated to CWFP project number 4285-25 on the state fiscal year 2023 CWFP funding list is instead allocated to CWFP project number 4285-99.

"Program Resolution" means the Amended and Restated Program Resolution for State of Wisconsin Environmental Improvement Fund Revenue Obligations adopted by the State of Wisconsin Building Commission, as such may from time to time be further amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Program Resolution.

"Project" means the project assigned CWFP project number 4285-99 and CWFP project number 4285-27 by DNR, described in the Project Manager Summary Page (Exhibit F) of this FAA—the engineering-only FAA--and the financial assistance agreement for construction and related costs, and further described in the DNR approval letter for the Plans and Specifications, or portions thereof, issued under s. 281.41, Wis. Stats.

"Project Costs" means the engineering costs for planning, design, and construction management of the Project that are eligible for financial assistance from the CWFP under the Statute, which are allowable costs under the Regulations, which have been incurred by the Municipality, an estimate of which is set forth in Exhibit A hereto and made a part hereof.

"Regulations" means the Act; chs. NR 108, NR 110, NR 150, NR 151, NR 162, and NR 216, Wis. Adm. Code, the regulations of DNR; and ch. Adm. 35, Wis. Adm. Code, the regulations of DOA, adopted pursuant to and in furtherance of the Act, as such may be adopted or amended from time to time.

"SDWLP" means the State of Wisconsin Safe Drinking Water Loan Program, established pursuant to ss. 281.59 and 281.61, Wis. Stats.

"Servicing Fee" means any servicing fee that may be imposed by DNR and DOA pursuant to s. 281.58(9)(d), Wis. Stats., which shall cover the estimated costs of reviewing and acting upon the Application and servicing this FAA, and which the Municipality is obligated to pay as set forth in Section 3.04 hereof.

"Sewer Use Ordinance" means the ordinance (or other legislative enactments) meeting the requirements of the Regulations and enacted and enforced in each jurisdiction served by the Project.

"Sewerage System" means the entire wastewater utility 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.

"State" means the State of Wisconsin.

"Statute" means ss. 281.58 and 281.59, Wis. Stats., as amended.

"Substantial Completion" means the date on which construction of the Project is sufficiently complete in accordance with the contract documents so that the owner can occupy and utilize the Project for its intended use.

"Supplemental Resolution" shall have the meaning set forth in the Program Resolution.

"Trustee" means the trustee appointed by the State pursuant to the Program Resolution and any successor trustee.

"User Charge System" means a system of charges meeting the requirements of s. NR 162.08, Wis. Adm. Code.

"User Fees" means fees charged or to be charged to users of the Project or the Sewerage System of which the Project is a part pursuant to a User Charge System or otherwise.

"Water Quality Act" means the federal Water Quality Act of 1987, as amended.

"WPDES Permit" means a Wisconsin Pollutant Discharge Elimination System permit issued under ch. 283, Wis. Stats.

Section 1.02. Rules of Interpretation Unless the context clearly indicates to the contrary, the following rules shall apply to the context of this FAA:

- (a) Words importing the singular number shall include the plural number and vice versa, and one gender shall include all genders.
- (b) All references herein to particular articles or sections are references to articles or sections of this FAA.
- (c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this FAA, nor shall they affect its meaning, construction, or effect.
- (d) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms as used in this FAA refer to this FAA in its entirety and not the particular article or section of this FAA in which they appear. The term "hereafter" means after and the term "heretofore" means before the date of delivery of this FAA.
- (e) All accounting terms not otherwise defined in this FAA have the meanings assigned to them in accordance with generally accepted accounting principles, and all computations provided for herein shall be made in accordance with generally accepted accounting principles.

ARTICLE II
REPRESENTATIONS

Section 2.01. Representations of the CWFP The CWFP represents and warrants as follows:

- (a) The State is authorized to issue the Bonds in accordance with the Statute and the Program Resolution and to use the proceeds thereof to provide funds for the Financial Assistance provided to the Municipality to undertake and complete the Project.
- (b) The CWFP has complied with the provisions of the Statute and has full power and authority to execute and deliver this FAA, consummate the transactions contemplated hereby, and perform its obligations hereunder.
- (c) The CWFP is not in violation of any of the provisions of the Constitution or laws of the State which would affect its powers referred to in the preceding paragraph (b).
- (d) Pursuant to the Statute, the CWFP is authorized to execute and deliver this FAA, and to take actions and make determinations that are required of the CWFP under the terms and conditions of this FAA.
- (e) The execution and delivery by the CWFP of this FAA and the consummation of the transactions contemplated by this FAA shall not violate any indenture, mortgage, deed of trust, note, agreement, or other contract or instrument to which the State is a party, or by which it is bound, or, to the best of the CWFP's knowledge, any judgment, decree, order, statute, rule, or regulation applicable to the CWFP; all consents, approvals, authorizations, and orders of governmental or regulatory authorities that are required for the consummation of the transactions contemplated thereby have been obtained.
- (f) To the knowledge of the CWFP, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the CWFP, or, to the knowledge of the CWFP, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or which, in any way, could adversely affect the validity of this FAA or any agreement or instrument to which the State is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

Section 2.02. Representations of the Municipality The Municipality represents and warrants as of the date of this FAA, and with respect to paragraphs (n), (s), and (u), covenants throughout the term of this FAA, as follows:

- (a) The Municipality possesses the legal municipal form of a city under ch. 62, Wis. Stats. The Municipality is located within the State and is a "municipality" within the meaning of the Statute, duly organized and existing under the laws of the State, and has full legal right, power, and authority to:
 - (1) conduct its business and own its properties,
 - (2) enter into this FAA,
 - (3) adopt the Municipal Obligation Resolution,
 - (4) issue and deliver the Municipal Obligations to the CWFP as provided herein, and
 - (5) carry out and consummate all transactions contemplated by each of the aforesaid documents.
- (b) The Municipality's Project is a project that is necessary to prevent the applicant from significantly exceeding an effluent limitation contained in its WPDES Permit (compliance maintenance).

(c) With respect to the issuance of the Municipal Obligations, the Municipality has complied with the Municipal Obligation Resolution and with all applicable laws of the State.

(d) The governing body of the Municipality has duly approved the execution and delivery of this FAA and the issuance and delivery of the Municipal Obligations in the aggregate principal amount of \$3,329,275 and authorized the taking of any and all action as may be required on the part of the Municipality and its authorized officers to carry out, give effect to, and consummate the transactions contemplated by each of the foregoing.

(e) This FAA and the Municipal Obligations have each been duly authorized, executed, and delivered, and constitute legal, valid, and binding obligations of the Municipality, enforceable in accordance with their respective terms.

(f) To the knowledge of the Municipality, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, threatened against, pending, or affecting the Municipality, or, to the knowledge of the Municipality, any basis therefor:

(1) affecting the creation, organization, or existence of the Municipality or the title of its officers to their respective offices;

(2) seeking to prohibit, restrain, or enjoin the execution of this FAA or the issuance or delivery of the Municipal Obligations;

(3) in any way contesting or affecting the validity or enforceability of the Municipal Obligation Resolution, the Municipal Obligations, this FAA, or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by this FAA; or

(4) wherein an unfavorable decision, ruling, or finding could adversely affect the transactions contemplated hereby or by the Municipal Obligation Resolution or the Municipal Obligations.

(g) The Municipality is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its properties is bound, and no event has occurred that, with the passage of time, the giving of notice, or both, could constitute such a breach or default. The execution and delivery of this FAA, the issuance and delivery of the Municipal Obligations, the adoption of the Municipal Obligation Resolution, and compliance with the respective provisions thereof shall not conflict with, or constitute a breach of or default under, any applicable law or administrative regulation of the State or of the United States, any applicable judgment or decree, or any agreement or other instrument to which the Municipality is a party, or by which it or any of its property is bound.

(h) The Municipal Obligations constitute validly-issued, legally-binding special obligations of the Municipality secured as set forth therein.

(i) The resolutions of the Municipality accepting the Financial Assistance and the Municipal Obligation Resolution have been duly adopted by the Municipality and remain in full force and effect as of the date hereof.

(j) The Municipality has full legal right and authority and all necessary permits, licenses, easements, and approvals (other than such permits, licenses, easements, or approvals that are not by their nature obtainable prior to Substantial Completion of the Project) required as of the date hereof to own the Project, carry on its activities relating thereto, undertake and complete the Project, and carry out and consummate all transactions contemplated by this FAA.

(k) The Municipality represents that it has not made any commitment or taken any action that shall result in a valid claim for any finders' or similar fees or commitments in respect to the issuance and sale of the Municipal Obligations and the making of the Loan under this FAA.

(l) The Project is eligible under s. 281.58(7), Wis. Stats., for financing from the CWFP, and the Project costs are equal to or in excess of the principal amount of the Municipal Obligations. Portions of the Project that are ineligible for financing from the CWFP or under this engineering-only FAA are listed within the Project Manager Summary Page attached hereto as Exhibit F. The Municipality intends the Project to be eligible under the Statute throughout the term of this FAA.

(m) All amounts shown in Exhibit A of this FAA are costs of a Project eligible for financial assistance from the CWFP under the Statute. All proceeds of any borrowing of the Municipality that have been spent and are being refinanced with the proceeds of the Financial Assistance made hereunder have been spent on eligible Project Costs. All Project Costs are reasonable, necessary, and allocable by the Municipality to the Project under generally accepted accounting principles. None of the proceeds of the Financial Assistance shall be used directly or indirectly by the Municipality as working capital or to finance inventory, as opposed to capital improvements.

(n) The Project is and shall remain in compliance with all applicable federal, state, and local laws and ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality. The Municipality has complied with and completed all requirements of DNR necessary to commence construction of the Project prior to the date hereof. The Municipality intends to proceed with due diligence to complete the Project pursuant to Section 4.04 hereof.

(o) The Municipality does not intend to lease the Project or enter into a long-term contract for operation of the Project except as set forth in Exhibit D.

(p) The Municipality shall not take or omit to take any action which action or omission shall in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Program Resolution.

(q) The Municipality has not taken and shall not take any action, and presently knows of no action that any other person, firm, or corporation has taken or intends to take, that would cause interest on the Municipal Obligations to be includable in the gross income of the owners of the Municipal Obligations for federal income tax purposes. The representations, certifications, and statements of reasonable expectation made by the Municipality as referenced in the Municipal Obligation Counsel Opinion and No Arbitrage Certificate are hereby incorporated by this reference as though fully set forth herein.

(r) Other than (1) "preliminary expenditures" as used in Treas. Regs. 26 CFR 1.150-2 in an amount not exceeding 20% of the principal amount of the Municipal Obligations, or (2) an amount not exceeding the lesser of \$100,000 or 5% of the principal amount of the Municipal Obligations, all of the proceeds of the Bonds loaned to the Municipality (other than refunding proceeds, if any) shall be used for Project Costs paid by the Municipality subsequent to a date which is 60 days prior to the date on which the Municipality adopted a reimbursement resolution pursuant to Treas. Regs. 26 CFR 1.150-2 stating its intent to reimburse other funds of the Municipality used to finance the Project, or subsequent to the issuance date of the Municipal Obligations.

(s) The Municipality represents that it has satisfied and shall continue to satisfy all the applicable requirements in s. 281.58, Wis. Stats., and ch. NR 162, Wis. Adm. Code.

(t) The Municipality has adopted a rate, charge, or assessment schedule that will generate annually sufficient revenue to pay the principal of and interest on the Municipal Obligations.

(u) The Municipality is in substantial compliance and shall remain in substantial compliance with all applicable conditions, requirements, and terms of any financial assistance previously awarded

through the federal construction grants program, the Wisconsin Fund construction grants program, the CWFP, or the SDWLP.

(v) The Municipality has met all terms and conditions contained within and received DNR approval for the Municipality's Plans and Specifications for the Project described in the definitions hereof.

(w) The Municipality represents that it submitted to DNR a bid tabulation for the Project with a recommendation to DNR for review and concurrence. The expected Substantial Completion date of the Project is January 31, 2025.

(x) The Municipality acknowledges that s. 281.59(11)(b), Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP by deducting those amounts from any State payments due the Municipality. State aids information is available on: the Wisconsin Department of Revenue's website at <https://www.revenue.wi.gov/Pages/Report/Shared-Revenue-Estimates.aspx>, and the Wisconsin Department of Transportation's website at <https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>.

The Municipality acknowledges that s. 70.60, Wis. Stats., and the Program Resolution provide that, if the Municipality fails to repay the Loan when due, the State shall recover amounts due the CWFP by adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located.

(y) The Municipality acknowledges that the State reserves the right upon default by the Municipality hereunder to have a receiver appointed to collect User Fees from the operation of the Municipality's Sewerage System or, in the case of a joint utility system, to bill the users of the Municipality's Sewerage System directly.

(z) The representations of the Municipality in the Application are true and correct as of the date of this FAA and are incorporated herein by reference as if fully set forth in this place.

(aa) There has been no material adverse change in the financial condition or operation of the Municipality or the Project since the submission date of the Application.

(bb) The Municipality acknowledges that it is eligible to receive Financial Assistance in the form of a Loan of \$5,379,275 with Principal Forgiveness of \$2,050,000 for payment of Project Costs.

ARTICLE III
LOAN PROVISIONS

Section 3.01. Loan Clauses

(a) Subject to the conditions and in accordance with the terms of this FAA, the CWFP hereby agrees to make the Loan and the Municipality agrees to accept the Loan. As evidence of the portion of the Loan made to the Municipality remaining subsequent to the Principal Forgiveness, the Municipality hereby agrees to sell to the CWFP Municipal Obligations in the aggregate principal amount of \$3,329,275. The CWFP shall pay for the Municipal Obligations in lawful money of the United States, which shall be disbursed as provided in this FAA.

(b) Prior to disbursement, Loan proceeds shall be held by the CWFP or by the Trustee for the account of the CWFP. Earnings on undisbursed Loan proceeds shall be for the account of the CWFP. Loan proceeds shall be disbursed only upon submission by the Municipality of disbursement requests and approval thereof as set forth in Section 3.06 hereof.

(c) The Loan shall bear interest at the rate of two and 190/1000ths percent (2.190%) per annum, and interest shall accrue and be payable only on Loan principal amounts actually disbursed on the Municipal Obligations, from the date of disbursement until the date such amounts are repaid or forgiven. A description of how the interest rate was determined is included in the Project Manager Summary Page (Exhibit F).

(d) Disbursements of Financial Assistance shall generally be made: first, in the form of a Loan disbursement on the Municipal Obligations, which must be at least 5% of the Municipal Obligation amount or in excess of \$50,001, whichever is less; second, in the form of Loan disbursements that include the applicable percentage of Principal Forgiveness up to \$2,050,000; and third, if the Principal Forgiveness cap has been reached, in the form of Loan disbursements on the Municipal Obligations. Principal Forgiveness will be applied at the time of Loan disbursement.

(e) Upon Final Completion of the Project, DOA may request that the Municipality issue substitute Municipal Obligations in the aggregate principal amount equal to the outstanding principal balance of the Municipal Obligations.

(f) The Municipality shall deliver, or cause to be delivered, a Municipal Obligation Counsel Opinion to the CWFP concurrently with the delivery of the Municipal Obligations.

(g) The Municipal Obligations issued to finance costs of this FAA shall be issued as part of a single series of revenue bonds which also finances costs of the construction-related financial assistance agreement, in the aggregate principal amount of \$23,367,711 which, assuming the full amount of the loans secured thereby is disbursed to the Municipality on Oct 11, 2023, will have principal and interest payments due on Exhibit B-2 of this FAA.

Section 3.02. Amortization of Aggregate Principal of the Loan Principal and interest payments on the Loan shall be due on the dates set forth in Exhibit B-1 of this FAA. The payment amounts shown on Exhibit B are for informational purposes only and assume the full amount of the Loan is disbursed and that the full amount of Principal Forgiveness available is applied to the Loan on October 11, 2023. It is understood that the actual amounts of the Municipality's Loan payments shall be based on the actual dates and amounts of disbursements on the Loan. Notwithstanding the foregoing or anything in the Municipal Obligations, the Loan shall be for no longer than twenty (20) years from the date of this FAA and shall mature and be fully amortized not later than twenty (20) years after the original issue date of the Municipal Obligations. Repayment of principal on the Loan shall begin not later than twelve (12) months after the expected or actual Substantial Completion date of the Project.

Section 3.03. Type of Municipal Obligation and Security The Municipality's obligation to meet annual debt service requirements shall be a revenue obligation evidenced by issuance of revenue bonds pursuant to

s. 66.0621, Wis. Stats. The security for the Municipality's obligation shall be a pledge of revenues to be derived from the Municipality's Sewerage System, and the Municipality shall agree that, if revenues from the Sewerage System are insufficient to meet annual debt service requirements, the Municipality shall purchase sewerage services in amounts sufficient to meet annual debt service requirements as provided in and set forth in Section 9 of the Municipal Obligation Resolution. The annual revenues net of all current expenses shall be equal to not less than the annual principal and interest requirements on the Municipal Obligations, any Parity Obligations, and any other debt obligations payable from the revenues of the Sewerage System then outstanding, times the greater of (i) 110 percent or (ii) the highest debt service coverage ratio required with respect to any Parity Obligations or any other debt obligations payable from the revenues of the Sewerage System then outstanding. As of the date of this FAA, the required debt service coverage ratio is 110 percent; however, this percentage is subject to change as outlined in the prior sentence. The Municipal Obligations are also secured as provided in Section 3.08 hereof.

Section 3.04. Other Amounts Payable The Municipality hereby expressly agrees to pay to the CWFP:

- (a) such Servicing Fee as the CWFP may impose pursuant to s. 281.58(9)(d), Wis. Stats., which shall be payable in semiannual installments on each interest payment date; such a Servicing Fee shall be imposed upon the Municipality after approval of a future Biennial Finance Plan by the State of Wisconsin Building Commission which contains a Servicing Fee requirement, schedule, and amount; and
- (b) the Municipality's allocable share of the Fees and Charges as such costs are incurred. Allocable share shall mean the proportionate share of the Fees and Charges based on the outstanding principal of the Loan.

Amounts paid by the Municipality pursuant to this Section 3.04 shall be deposited in the Equity Fund established pursuant to the Program Resolution.

Section 3.05. Sale and Redemption of Municipal Obligations

- (a) Municipal Obligations may not be prepaid without the prior written consent of the CWFP. The CWFP has sole discretion to withhold such consent.
- (b) The Municipality shall pay all costs and expenses of the CWFP in effecting the redemption of the Bonds to be redeemed with the proceeds of the prepayment of the Municipal Obligations. Such costs and expenses may include any prepayment premium applicable to the CWFP and any investment losses incurred or sustained by the CWFP resulting directly or indirectly from any such prepayment.
- (c) Subject to subsection (a), the Municipality may prepay the Municipal Obligations with any settlements received from any third party relating to the design or construction of the Project.
- (d) Prepayments of the Municipal Obligations shall be applied pro rata to all maturities of the Municipal Obligations.

Section 3.06. Disbursement of Financial Assistance

- (a) Under this FAA, Financial Assistance shall be drawn in the order specified in Section 3.01(d) of this document.
- (b) Each disbursement request shall be delivered to DNR. Each request must contain invoices or other evidence acceptable to DNR and DOA that Project Costs for which disbursement of Financial Assistance is requested have been incurred by the Municipality.
- (c) The CWFP, through its agents or Trustee, plans to make disbursements of Financial Assistance on a semimonthly basis upon approval of each disbursement request by DNR and DOA. Such

approval by DNR and DOA may require adjustment and corrections to the disbursement request submitted by the Municipality. The Municipality shall be notified whenever such an adjustment or correction is made by DNR or DOA.

(d) Disbursements made to the Municipality are subject to pre- and post-payment adjustments by DNR or DOA.

(1) If the Financial Assistance is not yet fully disbursed, and CWFP funds were previously disbursed for costs not eligible for CWFP funding or not eligible under this FAA, the CWFP shall make necessary adjustments to future disbursements.

(2) If the Financial Assistance is fully disbursed, including disbursements for any costs not eligible for CWFP funding or not eligible under this FAA, the Municipality agrees to repay to the CWFP an amount equal to the non-eligible costs within 60 days of notification by DNR or DOA. The CWFP shall then apply the amount it receives as a Loan prepayment or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding Loan principal balance available to which the recovery may be applied).

(e) The CWFP or its agent shall disburse Financial Assistance only to the Municipality's account by electronic transfer of funds. The Municipality hereby covenants that it shall take actions and provide information necessary to facilitate these transfers.

(f) Disbursement beyond ninety-five percent (95%) of the principal amount of the Financial Assistance, unless otherwise agreed to by DNR and DOA pursuant to a written request from the Municipality, may be withheld until:

(1) DNR is satisfied that the Project has been completed in accordance with the Plans and Specifications, DNR has approved all change orders relating to the Project, and DNR has determined that the Project is in compliance with the Municipality's WPDES Permit;

(2) the Municipality certifies to DNR its acceptance of the Project from its contractors;

(3) the Municipality certifies in writing to DNR its compliance with applicable federal requirements (certification must be as prescribed on Exhibit G); and

(4) DNR certifies in writing to DOA the Municipality's compliance with all applicable requirements of this FAA.

(g) Treas. Regs. 26 CFR § 1.148-6(d)(1)(iii) applies to project expenditures; it states, in part, "An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service".

Section 3.07. Remedies

(a) If the Municipality:

(1) or any authorized representative is not complying with federal or state laws, regulations, or requirements relating to the Project, and following due notice by DNR the Project is not brought into compliance within a reasonable period of time; or

(2) is not complying with or is in violation of any provision set forth in this FAA; or

(3) is not in compliance with the Statute or the Regulations;

then DNR may, until the Project is brought into compliance or the FAA non-compliance is cured to the satisfaction of DNR or DOA, impose one (1) or more of the following sanctions:

- (i) Progress payments or disbursements otherwise due the Municipality of up to 20% may be withheld.
- (ii) Project work may be suspended.
- (iii) DNR may request a court of appropriate jurisdiction to enter an injunction or afford other equitable or judicial relief as the court finds appropriate.
- (iv) Other administrative remedies may be pursued.

(b) If the Municipality fails to make any payment when due on the Municipal Obligations or fails to observe or perform any other covenant, condition, or agreement on its part under this FAA for a period of thirty (30) days after written notice is given to the Municipality by DNR, specifying the default and requesting that it be remedied, the CWFP is provided remedies by law and this FAA. These remedies include, but are not limited to, the following rights:

- (1) Pursuant to s. 281.59(11)(b), Wis. Stats., DOA shall place on file a certified statement of all amounts due the CWFP under this FAA. DOA may collect all amounts due the CWFP by deducting those amounts from any State payments due the Municipality or adding a special charge to the amount of taxes apportioned to and levied upon the county in which the Municipality is located under s. 70.60, Wis. Stats.
- (2) Pursuant to s. NR 162.18(1), Wis. Adm. Code, DNR may: declare the unpaid Loan balance due and immediately payable; increase the interest rate on the unpaid balance of the Loan to the market interest rate in effect on the date this FAA was executed; or immediately terminate this FAA and disburse no additional funds if the Loan has not been fully disbursed.
- (3) The CWFP may, without giving bond to the Municipality or anyone claiming under it, have a receiver appointed for the CWFP's benefit of the Project and the Municipality's Sewerage System and of the earnings, income, rents, issues, and profits thereof, with such powers as the court making such appointment shall confer. The Municipality hereby irrevocably consents to such appointment.
- (4) In the case of a joint utility system, the CWFP may bill the users of the Municipality's system directly.
- (5) The CWFP may enforce any right or obligation under this FAA, including the right to seek specific performance or mandamus, whether such action is at law or in equity.

Section 3.08. Security for the Loan In accordance with the terms of the Municipal Obligation Resolution:

- (a) as security for the Loan hereunder, the Municipality hereby pledges the revenue to be derived from the Municipality's Sewerage System (which is a dedicated source of revenue); and
- (b) other than as already pledged to the outstanding Parity Obligations, the Municipality shall not pledge the revenues, except as provided in Section 11 of the Municipal Obligation Resolution, to be derived from the Municipality's User Charge System or other revenues pledged under Section 3.08(a) above, to any person other than the CWFP, unless the revenues pledged to such other person meet the highest debt coverage ratio then applicable to the Municipality.

Section 3.09. Effective Date and Term This FAA shall become effective upon its execution and delivery by the parties hereto, shall remain in full force and effect from such date, and shall expire on such date as the Municipal Obligations shall be discharged and satisfied in accordance with the provisions thereof.

ARTICLE IV
CONSTRUCTION OF THE PROJECT

Section 4.01. Insurance The Municipality agrees to maintain property and liability insurance for the Sewerage System and Project that is reasonable in amount and coverage and that is consistent with prudent municipal insurance practices for the term of this FAA. The Municipality agrees to provide written evidence of insurance coverage to the CWFP upon request at any time during the term of this FAA.

In the event the Sewerage System or Project is damaged or destroyed, the Municipality agrees to use the proceeds from its insurance coverage either to repay the Financial Assistance or to repair or replace the Sewerage System.

Section 4.02. Construction of the Project The Municipality shall construct the Project, or cause it to be constructed, to Final Completion in accordance with the Application and the Plans and Specifications. The Municipality shall proceed with the acquisition and construction of the Project in conformity with law and with all applicable requirements of governmental authorities having jurisdiction with respect thereto, subject to such modifications of Plans and Specifications that alter the cost of the Project, use of space, Project scope, or functional layout, as may be previously approved by DNR.

Section 4.03. Performance Bonds The Municipality shall provide, or cause to be provided, performance bonds assuring the performance of the work to be performed under all construction contracts entered into with respect to the Project. All performance bonds required hereunder shall be issued by independent surety companies authorized to transact business in the State.

Section 4.04. Completion of the Project

(a) The Municipality agrees that it shall undertake and complete the Project for the purposes and in the manner set forth in this FAA and in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. The Municipality shall, with all practical dispatch and in a sound and economical manner, complete or cause to be completed the acquisition and construction of the Project and do all other acts necessary and possible to entitle it to receive User Fees with respect to the Project at the earliest practicable time. The Municipality shall obtain all necessary approvals from any and all governmental agencies prior to construction which are requisite to the Final Completion of the Project.

(b) The Municipality shall notify DNR of the Substantial Completion of the Project. The Municipality shall cause to be prepared as-built plans for the Project at or prior to completion thereof.

(c) The Municipality shall take and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently and in accordance with the terms of the contracts including, without limitation, the correcting of defective work.

(d) Upon Final Completion of the Project in accordance with the Plans and Specifications, the Municipality shall:

- (1) certify to DNR its acceptance of the Project from its contractors, subject to claims against contractors and third parties;
- (2) complete and deliver to DNR the completed Contract Utilization of Disadvantaged Business Enterprises (DBE) form for the entire Project attached hereto as Exhibit E of this FAA and included as Exhibit E in the financial assistance agreement providing funds for the construction costs of the Project;
- (3) prepare and deliver to DNR the completed Federal Requirements Compliance Certification attached hereto as Exhibit G of this FAA (note that the Municipality must

complete the certification just once for the Project as opposed to two separate certifications—one for the engineering Loan and one for the construction loan);

(4) obtain all required permits and authorizations from appropriate authorities for operation and use of the Project; and

(5) submit to DNR a completed Operation and Maintenance Manual Certification Checklist form to be provided by DNR or obtained from DNR's website (note that just one form must be submitted for the entire Project).

Section 4.05. Payment of Additional Project Costs

(a) In the event of revised eligibility determinations, cost overruns, and amendments exceeding the Loan amount, the CWFP may allocate additional financial assistance to the Project. The allocation of additional financial assistance may be in the form of a loan at less than the market interest rate, which is established pursuant to the Statute and Regulations. The allocation of additional financial assistance shall depend upon availability of funds, pursuant to the Statute and the Regulations.

(b) In the event the sum of the proceeds from the engineering-only FAA plus the construction financial assistance agreement is not sufficient to pay the costs of the Project in full, the Municipality shall nonetheless complete the Project and pay that portion of the Project Costs as may be in excess of available Financial Assistance, and shall not be entitled to any reimbursement therefor from the CWFP, or the owners of any Bonds, except from the proceeds of additional financing which may be provided by the CWFP pursuant to an amendment of this FAA or through a separate financial assistance agreement.

Section 4.06. No Warranty Regarding Condition, Suitability, or Cost of Project Neither the CWFP, DOA, DNR, nor the Trustee makes any warranty, either express or implied, as to the Project or its condition, or that it shall be suitable for the Municipality's purposes or needs, or that the Financial Assistance and any additional funding shall be sufficient to pay the costs of the Project. Review or approval of engineering reports, facilities plans, Plans and Specifications, or other documents, or the inspection of Project construction by DNR, does not relieve the Municipality of its responsibility to properly plan, design, build, and effectively operate and maintain the Project as required by laws, regulations, permits, and good management practices. DNR or its representatives are not responsible for increased costs resulting from defects in the Plans and Specifications or other Project documents. Nothing in this section prohibits a Municipality from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party performing Project work.

ARTICLE V
COVENANTS

Section 5.01. Application of Financial Assistance The Municipality shall apply the proceeds of the Financial Assistance solely to engineering Project Costs.

Section 5.02. Operation and Maintenance; Equipment Replacement Fund

(a) After completion of the Project, the Municipality shall:

(1) at all times operate the Project or otherwise cause the Project to be operated properly and in a sound and economical manner, including proper training of personnel;

(2) maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept in good repair, working order, and condition; and

(3) periodically make, or cause to be made, all necessary and proper repairs, replacements, and renewals so that at all times the operation of the Project may be properly conducted in a manner that is consistent with the requirements of the WPDES Permit.

(b) So long as the Loan is outstanding, the Municipality shall not, without the approval of DNR, discontinue operation of, sell, or otherwise dispose of the Sewerage System or Project, except for portions of the Sewerage System sold or otherwise disposed of in the course of ordinary repair and replacement of parts.

(c) The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. All User Fees or other revenues specifically collected for the equipment replacement fund shall be deposited into the equipment replacement fund and used for replacement and major repair of equipment necessary for the operation of the Sewerage System, or for unexpected, unbudgeted costs incurred for continuing effective operations of the Sewerage System. Annual deposits, if needed to reach an appropriate balance in the fund, shall be made to the equipment replacement fund in amounts sufficient to meet the equipment replacement itemized schedule developed by the Municipality or the percentage schedule option. The Project Manager Summary Page (Exhibit F) shall specify the required annual deposit or required minimum balance/percentage.

Section 5.03. Compliance with Law At all times during construction of the Project and operation of the Sewerage System, the Municipality shall comply with all applicable federal, state, and local laws, ordinances, rules, regulations, permits, and approvals, and with this FAA, including, without limitation, the Statute, the Regulations, and the WPDES Permit.

Section 5.04. Public Ownership The Municipality shall at all times retain ownership of the Project and the Sewerage System of which it is a part.

Section 5.05. Establishment of Project Accounts; Audits

(a) The Municipality shall maintain Project accounts in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets and directions issued by the CWFP. Without any request the Municipality shall furnish to DOA as soon as available, and in any event within one hundred eighty (180) days after the close of each fiscal year, a copy of the audit report for such year and accompanying GAAP-based financial statements for such period, as examined and reported by independent certified public accountants of recognized standing selected by the Municipality and reasonably satisfactory to DOA, whose

reports shall indicate that the accompanying financial statements have been prepared in conformity with GAAP and include standards relating to the reporting of infrastructure assets.

(b) The Municipality shall maintain a separate account that reflects the receipt and expenditure of all CWFP funds for project 4285-99. All Financial Assistance shall be credited promptly upon receipt thereof and shall be reimbursement for or expended only for Project Costs for engineering. The Municipality shall: permit any authorized representative of DNR or DOA, or agents thereof, the right to review or audit all records relating to the Project or the Financial Assistance; produce, or cause to be produced, all records relating to any work performed under the terms of this FAA for examination at such times as may be designated by any of them; permit extracts and copies of the Project records to be made by any of them; and fulfill information requests by any of them.

Section 5.06. Records The Municipality shall retain all files, books, documents, and records relating to construction of the Project for at least three years following the date of Final Completion of the Project, or for longer periods if necessary due to any appeal, dispute, or litigation. All other files and records relating to the Project shall be retained so long as this FAA remains in effect. As-built plans for the Project shall be retained for the useful life of the Project.

Section 5.07. Project Areas The Municipality shall permit representatives of DNR access to the Project and related records at all reasonable times, include provisions in all contracts permitting such access during construction and operation of the Sewerage System, and allow extracts and copies of Project records to be made by DNR representatives.

Section 5.08. Engineering Inspection The Municipality shall provide competent and adequate inspection of all Project construction under the direction of a professional engineer licensed by the State. The Municipality shall direct such engineer to inspect work necessary for the construction of the Project and to determine whether such work has been performed in accordance with the Plans and Specifications. Any such work not in accordance with the Plans and Specifications shall be remedied unless such noncompliance is waived by DNR.

Section 5.09. Tax Covenants

(a) The Municipality covenants and agrees that it shall not take any action, or omit to take any action, which action or omission would result in the loss of the exclusion of the interest on any Municipal Obligations now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code or any successor provision.

(b) The Municipality shall not take any action, or omit to take any action, which action or omission would cause its Municipal Obligations to be "private activity bonds" within the meaning of Section 141(a) of the Code or any successor provision.

(c) The Municipality shall not directly or indirectly use, or permit the use of, any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds, or take any action, or omit to take any action, which use or action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or any successor provision. The Municipality hereby further covenants to ensure that all amounts actually received by such Municipality from the CWFP are advanced within three Business Days to the entity submitting the invoice (or to reimburse the Municipality) to which each amount relates, and that all amounts actually received by such Municipality from the CWFP shall not be invested in any interest-bearing account.

(d) The Municipality shall not use (directly or indirectly) the proceeds of the Bonds in any manner that would constitute an "advance refunding" within the meaning of Section 149(d)(2) of the Code or any successor provision. Without limiting the foregoing, any proceeds of the Bonds used to repay interim or other prior financing of Project Costs will be applied within three (3) Business Days of receipt of the proceeds to the payment of principal of such financing.

Section 5.10. User Fee Covenant

(a) The Municipality hereby certifies that it has adopted and shall charge User Fees with respect to the Project in accordance with applicable laws, the Statute, and the Regulations in amounts such that revenues of the Municipality with respect to the Project shall be sufficient, together with other funds available to the Municipality for such purposes, to pay all costs of operating and maintaining the Project in accordance with this FAA, and to pay all amounts due under this FAA and the Municipal Obligations.

(b) The Municipality covenants that it shall adopt and shall adequately maintain for the design life of the Project a system of User Fees with respect to the Project in accordance with s. NR 162.08, Wis. Adm. Code. The Municipality covenants that it shall review the User Charge System at least every two years and shall revise and charge User Fees with respect to the Project such that the revenues and funds described in paragraph (a) shall be sufficient to pay the costs described in paragraph (a).

Section 5.11. Notice of Impaired System The Municipality shall promptly notify DNR and DOA in the case of: any material damage to or destruction of the Project or any part thereof; any actual or threatened proceedings for the purpose of taking or otherwise affecting by condemnation, eminent domain, or otherwise, all or a part of the Sewerage System; or any action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or any other event which may impair the ability of the Municipality to construct the Project, operate the Sewerage System, or set and collect User Fees as set forth in Section 5.10.

Section 5.12. Hold Harmless The Municipality shall save, keep harmless, and defend DNR, DOA, and all their officers, employees, and agents, against any and all liability, claims, and costs of whatever kind and nature for injury to or death of any person or persons, and for loss or damage to any property occurring in connection with or in any way incident to or arising out of the construction, occupancy, use, service, operation, or performance of work in connection with the Project, the Sewerage System, or acts or omissions of the Municipality's employees, agents, or representatives.

Section 5.13. Nondiscrimination Covenant

(a) In connection with the Project, the Municipality agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Municipality agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provision of the nondiscrimination clause.

(b) The Municipality shall incorporate the following provision into all Project contracts which have yet to be executed: "In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant because of age, race, religion, color, handicap, sex, physical condition, developmental disability, or national origin. The contractor further agrees to comply with fair employment practices pursuant to subchapter II of ch. 111, Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause."

Section 5.14. Employees The Municipality or its employees or agents are not employees or agents of the DNR or DOA for any purpose, including worker's compensation.

Section 5.15. Adequate Funds The Municipality shall have sufficient funds available to repay the Municipal Obligations. The Municipality shall have sufficient funds available when construction of the Project is completed to ensure effective operation and maintenance of the Project for purposes constructed.

Section 5.16. Management The Municipality shall provide and maintain competent and adequate management, supervision, and inspection at the Project construction site to ensure that the completed work conforms with the Plans and Specifications. The Municipality shall furnish construction progress reports and such other information as DNR may require for the Project.

Section 5.17. Reimbursement Any disbursement of Financial Assistance to the Municipality in excess of the amount determined by final audit to be due the Municipality shall be reimbursed to DOA within 60 days after DNR or DOA provides a notice stating the amount of excess funds disbursed.

Section 5.18. Unpaid User Fees The Municipality shall, to the fullest extent permitted by law, take all actions necessary to certify any unpaid User Fees to the county treasurer in order that such unpaid User Fees will be added as a special charge to the property tax bill of the user.

Section 5.19. Sewer Use Ordinance The Municipality shall comply with the provisions of the Sewer Use Ordinance, as certified in the Application. The Municipality covenants that it shall comply with and enforce all provisions of the Sewer Use Ordinance, as established pursuant to the Statute and Regulations.

Section 5.20. Rebates The Municipality agrees to pay to the CWFP any refunds, rebates, credits, or other amounts received for engineering Project Costs for which disbursement of funds has already been made by the CWFP. The CWFP shall then apply the amount it receives as a Loan prepayment or as a recovery of a Loan disbursement with Principal Forgiveness (if there is no outstanding Loan principal balance for the Project).

Section 5.21. Maintenance of Legal Existence

(a) Except as provided in par. (b), the Municipality shall maintain its legal existence and shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity.

(b) A Municipality may consolidate with or merge into any other legal entity, dissolve or otherwise dispose of all of its assets or substantially all of its assets, or transfer all or substantially all of its assets to another legal entity (and thereafter be released of all further obligation under this FAA and the Municipal Obligations) if:

- (1) the resulting, surviving, or transferee legal entity is a legal entity established and duly existing under the laws of Wisconsin;
- (2) such resulting, surviving, or transferee legal entity is eligible to receive financial assistance under the Statute;
- (3) such resulting, surviving, or transferee legal entity expressly assumes in writing all of the obligations of the Municipality contained in this FAA and the Municipal Obligations and any other documents the CWFP deems reasonably necessary to protect its environmental and credit interests; and
- (4) the CWFP shall have consented in writing to such transaction, which consent may be withheld in the absolute discretion of the CWFP.

Section 5.22. Wage Rate Requirements The Municipality represents that it shall comply with Section 513 of the Federal Water Pollution Control Act (33 USC 1372), which requires that all laborers and mechanics employed by contractors and subcontractors funded directly by or assisted in whole or in part with CWFP Project funding shall be paid wages at rates not less than those prevailing on projects of a character similar in

the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code.

Section 5.23. American Iron and Steel and Build America, Buy America The Municipality agrees to comply with all federal requirements applicable to the Project, including those imposed by the Infrastructure Investment and Jobs Act, which the Municipality understands requires that all iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (Build America, Buy America requirements) unless the Municipality requested and obtained a waiver from the cognizant agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver.

If the Municipality is exempt from Build America, Buy America requirements due to a waiver, the Municipality shall comply with the requirements for use of American Iron and Steel contained in Public Law 115-114 for products used in the Project that are made primarily of iron and/or steel. If the Municipality is not exempt from Build America, Buy America requirements, EPA views the American Iron and Steel requirements as meeting the iron and steel product requirements of Build America, Buy America Section 70914.

The Municipality agrees to comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or the SDWLP), such as records regarding performance indicators of program deliverables, information on costs, and Project progress reports. The Municipality understands that: (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities, and (ii) failure to comply with the applicable legal requirements and this FAA may result in a default hereunder that results in: a repayment of the assistance agreement in advance of the maturity of the Bonds; termination and/or repayment of grants, cooperative agreements, or direct assistance; or other remedial actions.

Section 5.24. Federal Single Audit At the time of signing of this FAA, the funds awarded to the Municipality for this Project are not considered to be subject to federal single audit requirements, but such consideration may change subsequent to this FAA if any changes are made to federal single audit requirements applicable to municipalities

Section 5.25. Bipartisan Infrastructure Law Signage The Municipality agrees to comply with all signage requirements as described in the Implementing the BIL Signage Requirement Packet (available at <https://dnr.wisconsin.gov/sites/default/files/topic/Aid/loans/BILsignageReqPacket.pdf>).

ARTICLE VI
MISCELLANEOUS

Section 6.01. Notices All notices, certificates, or other communications hereunder shall be sufficiently given, and shall be deemed given, when hand delivered or mailed by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below:

- (a) DEPARTMENT OF ADMINISTRATION
OFFICE OF CAPITAL FINANCE
CLEAN WATER FUND PROGRAM
101 EAST WILSON STREET 10TH FLOOR
MADISON WI 53702-0004
OR
PO BOX 7864
MADISON WI 53707-7864
- (b) DEPARTMENT OF NATURAL RESOURCES
BUREAU OF COMMUNITY FINANCIAL ASSISTANCE
101 SOUTH WEBSTER STREET CF/2
MADISON WI 53702-0005
OR
PO BOX 7921
MADISON WI 53707-7921
- (c) US BANK CORP TRUST
MATTHEW HAMILTON EP-MN-WS3T
60 LIVINGSTON AVENUE
ST PAUL MN 55101-229
- (d) CITY OF RACINE
800 CENTER STREET, ROOM 227
RACINE WI 53403-1481

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, by notice in writing given to the others. Any notice herein shall be delivered simultaneously to DNR and DOA.

Section 6.02. Binding Effect This FAA shall be for the benefit of, and shall be binding upon, the CWFP and the Municipality and their respective successors and assigns.

Section 6.03. Severability In the event any provision of this FAA shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect any other provision hereof.

Section 6.04. Amendments, Supplements, and Modifications This FAA may be amended, supplemented, or modified to provide for additional loans for the Project by the CWFP to the Municipality or for other purposes. All amendments, supplements, and modifications shall be in writing between the CWFP (by DNR and DOA acting under authority of the Statute) and the Municipality.

Section 6.05. Execution in Counterparts This FAA may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.06. Applicable Law This FAA shall be governed by and construed in accordance with the laws of the State, including the Statute.

Section 6.07. Benefit of Financial Assistance Agreement This FAA is executed, among other reasons, to induce the purchase of the Municipal Obligations. Accordingly, all duties, covenants, obligations, and agreements of the Municipality herein contained are hereby declared to be for the benefit of, and are enforceable by, the CWFP, the Trustee, or their authorized agents.

Section 6.08. Further Assurances The Municipality shall, at the request of DNR and DOA, authorize, execute, acknowledge, and deliver such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments as may be necessary or desirable for: better assuring, conveying, and providing Principal Forgiveness; and assigning, and confirming the rights, security interests, and agreements concerning Principal Forgiveness or intended to be Principal Forgiveness provided by this FAA and relating to the Municipal Obligations.

Section 6.09. Assignment of Municipal Obligations The Municipality hereby agrees that the Municipal Obligations may be sold, transferred, pledged, or hypothecated to any third party without the consent of the Municipality.

Section 6.10. Covenant by Municipality as to Compliance with Program Resolution The Municipality covenants and agrees that it shall comply with the provisions of the Program Resolution with respect to the Municipality and that the Trustee and the owners of the Bonds shall have the power and authority provided in the Program Resolution. The Municipality further agrees to aid in the furnishing to DNR, DOA, or the Trustee of opinions that may be required under the Program Resolution.

Section 6.11. Termination This FAA may be terminated in whole or in part pursuant to one or more of the following:

- (a) The CWFP and the Municipality may enter into an agreement to terminate this FAA at any time. The termination agreement shall establish the effective date of termination of this FAA, the basis for settlement of termination costs, and the amount and date of payment of any sums due either party.
- (b) If the Municipality wishes to unilaterally terminate all or any part of the Project work for which Financial Assistance has been awarded, the Municipality shall promptly give written notice to DNR. If the CWFP determines that there is a reasonable basis for the requested termination, the CWFP may enter into a termination agreement, including provisions for FAA termination costs, effective with the date of cessation of the Project work by the Municipality. If the CWFP determines that the Municipality has ceased work on the Project without reasonable basis, the CWFP may unilaterally terminate financial assistance or rescind this FAA.

Section 6.12. Rescission The CWFP may rescind this FAA prior to the first disbursement of any funds hereunder if it determines that:

- (a) there has been substantial non-performance of the Project work by the recipient without justification under the circumstances;
- (b) there is substantial evidence this FAA was obtained by fraud;
- (c) there is substantial evidence of gross abuse or corrupt practices in the administration of the Project;
- (d) the Municipality has failed to comply with the covenants contained in this FAA; or
- (e) any of the representations of the Municipality contained in this FAA were false in any material respect.

IN WITNESS WHEREOF, the CWFP and the Municipality have caused this FAA to be executed and delivered, as of the date and year first written above.

CITY OF RACINE

By: _____
Cory Mason
Mayor

By: _____
Kathleen Fischer
Director of Finance

Attest: _____
Tara McMenamin
City Clerk

Attest: _____
Scott Letteney
City Attorney

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

By: _____
Authorized Officer

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Officer

EXHIBIT A
PROJECT BUDGET SHEET

CITY OF RACINE
CWFP Project No. 4285-99

Budget Lines	Total Project costs (A)	Eligible Costs Paid with Focus on Energy Award	Eligible Costs Funded Under CWFP Project No. 4285-27	Net Loan Amount this FAA - CWFP Project No 4285-99
Force Account	0	0	0	0
Interim Financing Costs	0	0	0	0
Preliminary Engineering	3,286,000	0	0	3,286,000
Land or Easement Acquisition	0	0	0	0
Engineering/Construction Mgmt	2,093,275	0	0	2,093,275
Construction/Equipment	19,146,243	77,097	19,069,146	0
Contingency	934,592	0	934,592	0
Miscellaneous Costs	698	0	698	0
CWFP Closing Costs	34,000	0	34,000	0
Total	\$25,494,808	\$77,097	\$20,038,436	\$5,379,275
Principal Forgiveness (B)				\$2,050,000
Net Loan				\$3,329,275

A = The "Total Project costs" column shows the total of all costs for the planning, design, and construction portions of the Project. The Project is being funded by two separate FAAs. See Exhibit F for details regarding the split of Project costs.

B = General Principal Forgiveness is calculated and awarded up to 55% of the total "Net Loan Amount this FAA – CWFP Project No 4285-99" for this Project, up to a cap of \$2,000,000. Energy efficiency priority Principal Forgiveness is calculated and awarded in the amount of \$50,000. All Principal Forgiveness amounts awarded for this Project were determined in accordance with the principal forgiveness policies established in the [CWFP SFY 2023 Intended Use Plan](#). Originally the Principal Forgiveness awarded on this FAA was awarded to Loan Number 4285-25, but the Municipality requested that the Principal Forgiveness be moved to this FAA.

Racine, Wisconsin

Exhibit B-1

Project 4285-99 Clean Water Fund Program

Loan Closing Date:

October 11, 2023

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Principal & Interest</u>	<u>Bond Year Debt Service</u>	<u>Calendar Year Debt Service</u>
1-May-24	0.00	2.190%	40,506.18	40,506.18	40,506.18	0.00
1-Nov-24	0.00	2.190%	36,455.56	36,455.56	0.00	76,961.74
1-May-25	143,175.10	2.190%	36,455.56	179,630.66	216,086.22	0.00
1-Nov-25	0.00	2.190%	34,887.79	34,887.79	0.00	214,518.45
1-May-26	146,310.63	2.190%	34,887.79	181,198.42	216,086.21	0.00
1-Nov-26	0.00	2.190%	33,285.69	33,285.69	0.00	214,484.11
1-May-27	149,514.84	2.190%	33,285.69	182,800.53	216,086.22	0.00
1-Nov-27	0.00	2.190%	31,648.51	31,648.51	0.00	214,449.04
1-May-28	152,789.21	2.190%	31,648.51	184,437.72	216,086.23	0.00
1-Nov-28	0.00	2.190%	29,975.46	29,975.46	0.00	214,413.18
1-May-29	156,135.29	2.190%	29,975.46	186,110.75	216,086.21	0.00
1-Nov-29	0.00	2.190%	28,265.78	28,265.78	0.00	214,376.53
1-May-30	159,554.66	2.190%	28,265.78	187,820.44	216,086.22	0.00
1-Nov-30	0.00	2.190%	26,518.66	26,518.66	0.00	214,339.10
1-May-31	163,048.90	2.190%	26,518.66	189,567.56	216,086.22	0.00
1-Nov-31	0.00	2.190%	24,733.27	24,733.27	0.00	214,300.83
1-May-32	166,619.68	2.190%	24,733.27	191,352.95	216,086.22	0.00
1-Nov-32	0.00	2.190%	22,908.79	22,908.79	0.00	214,261.74
1-May-33	170,268.65	2.190%	22,908.79	193,177.44	216,086.23	0.00
1-Nov-33	0.00	2.190%	21,044.35	21,044.35	0.00	214,221.79
1-May-34	173,997.53	2.190%	21,044.35	195,041.88	216,086.23	0.00
1-Nov-34	0.00	2.190%	19,139.07	19,139.07	0.00	214,180.95
1-May-35	177,808.08	2.190%	19,139.07	196,947.15	216,086.22	0.00
1-Nov-35	0.00	2.190%	17,192.07	17,192.07	0.00	214,139.22
1-May-36	181,702.07	2.190%	17,192.07	198,894.14	216,086.21	0.00
1-Nov-36	0.00	2.190%	15,202.44	15,202.44	0.00	214,096.58
1-May-37	185,681.35	2.190%	15,202.44	200,883.79	216,086.23	0.00
1-Nov-37	0.00	2.190%	13,169.23	13,169.23	0.00	214,053.02
1-May-38	189,747.77	2.190%	13,169.23	202,917.00	216,086.23	0.00
1-Nov-38	0.00	2.190%	11,091.49	11,091.49	0.00	214,008.49
1-May-39	193,903.24	2.190%	11,091.49	204,994.73	216,086.22	0.00
1-Nov-39	0.00	2.190%	8,968.25	8,968.25	0.00	213,962.98
1-May-40	198,149.73	2.190%	8,968.25	207,117.98	216,086.23	0.00
1-Nov-40	0.00	2.190%	6,798.51	6,798.51	0.00	213,916.49
1-May-41	202,489.20	2.190%	6,798.51	209,287.71	216,086.22	0.00
1-Nov-41	0.00	2.190%	4,581.25	4,581.25	0.00	213,868.96
1-May-42	206,923.72	2.190%	4,581.25	211,504.97	216,086.22	0.00
1-Nov-42	0.00	2.190%	2,315.44	2,315.44	0.00	213,820.41
1-May-43	211,455.35	2.190%	2,315.44	213,770.79	216,086.23	213,770.79
Totals	3,329,275.00		816,869.40	4,146,144.40	4,146,144.40	4,146,144.40
			Net Interest Rate	2.1900%		
			Bond Years	37,299.9731		
			Average Life	11.2036		

The above schedule assumes full disbursement of the loan on the loan closing date.
06-Sep-23 Wisconsin Department of Administration

Racine, Wisconsin

Exhibit B-2

Projects 4285-27 & 4285-99 Clean Water Fund Program

Loan Closing Date:

October 11, 2023

Payment Date	Principal Payment	Interest Rate	Interest Payment	Principal & Interest	Bond Year Debt Service	Calendar Year Debt Service
1-May-24	0.00	2.190%	284,307.15	284,307.15	284,307.15	0.00
1-Nov-24	0.00	2.190%	255,876.44	255,876.44	0.00	540,183.59
1-May-25	1,004,925.79	2.190%	255,876.44	1,260,802.23	1,516,678.67	0.00
1-Nov-25	0.00	2.190%	244,872.50	244,872.50	0.00	1,505,674.73
1-May-26	1,026,933.67	2.190%	244,872.50	1,271,806.17	1,516,678.67	0.00
1-Nov-26	0.00	2.190%	233,627.57	233,627.57	0.00	1,505,433.74
1-May-27	1,049,423.52	2.190%	233,627.57	1,283,051.09	1,516,678.66	0.00
1-Nov-27	0.00	2.190%	222,136.39	222,136.39	0.00	1,505,187.48
1-May-28	1,072,405.89	2.190%	222,136.39	1,294,542.28	1,516,678.67	0.00
1-Nov-28	0.00	2.190%	210,393.54	210,393.54	0.00	1,504,935.82
1-May-29	1,095,891.58	2.190%	210,393.54	1,306,285.12	1,516,678.66	0.00
1-Nov-29	0.00	2.190%	198,393.53	198,393.53	0.00	1,504,678.65
1-May-30	1,119,891.61	2.190%	198,393.53	1,318,285.14	1,516,678.67	0.00
1-Nov-30	0.00	2.190%	186,130.72	186,130.72	0.00	1,504,415.86
1-May-31	1,144,417.23	2.190%	186,130.72	1,330,547.95	1,516,678.67	0.00
1-Nov-31	0.00	2.190%	173,599.35	173,599.35	0.00	1,504,147.30
1-May-32	1,169,479.97	2.190%	173,599.35	1,343,079.32	1,516,678.67	0.00
1-Nov-32	0.00	2.190%	160,793.54	160,793.54	0.00	1,503,872.86
1-May-33	1,195,091.58	2.190%	160,793.54	1,355,885.12	1,516,678.66	0.00
1-Nov-33	0.00	2.190%	147,707.29	147,707.29	0.00	1,503,592.41
1-May-34	1,221,264.09	2.190%	147,707.29	1,368,971.38	1,516,678.67	0.00
1-Nov-34	0.00	2.190%	134,334.45	134,334.45	0.00	1,503,305.83
1-May-35	1,248,009.77	2.190%	134,334.45	1,382,344.22	1,516,678.67	0.00
1-Nov-35	0.00	2.190%	120,668.74	120,668.74	0.00	1,503,012.96
1-May-36	1,275,341.18	2.190%	120,668.74	1,396,009.92	1,516,678.66	0.00
1-Nov-36	0.00	2.190%	106,703.75	106,703.75	0.00	1,502,713.67
1-May-37	1,303,271.16	2.190%	106,703.75	1,409,974.91	1,516,678.66	0.00
1-Nov-37	0.00	2.190%	92,432.94	92,432.94	0.00	1,502,407.85
1-May-38	1,331,812.79	2.190%	92,432.94	1,424,245.73	1,516,678.67	0.00
1-Nov-38	0.00	2.190%	77,849.59	77,849.59	0.00	1,502,095.32
1-May-39	1,360,979.50	2.190%	77,849.59	1,438,829.09	1,516,678.68	0.00
1-Nov-39	0.00	2.190%	62,946.86	62,946.86	0.00	1,501,775.95
1-May-40	1,390,784.95	2.190%	62,946.86	1,453,731.81	1,516,678.67	0.00
1-Nov-40	0.00	2.190%	47,717.76	47,717.76	0.00	1,501,449.57
1-May-41	1,421,243.13	2.190%	47,717.76	1,468,960.89	1,516,678.65	0.00
1-Nov-41	0.00	2.190%	32,155.15	32,155.15	0.00	1,501,116.04
1-May-42	1,452,368.36	2.190%	32,155.15	1,484,523.51	1,516,678.66	0.00
1-Nov-42	0.00	2.190%	16,251.72	16,251.72	0.00	1,500,775.23
1-May-43	1,484,175.23	2.190%	16,251.72	1,500,426.95	1,516,678.67	1,500,426.95
Totals	23,367,711.00		5,733,490.81	29,101,201.81	29,101,201.81	29,101,201.81
			Net Interest Rate	2.1900%		
			Bond Years	261,803.2429		
			Average Life	11.2036		

The above schedule assumes full disbursement of the loan on the loan closing date.
06-Sep-23 Wisconsin Department of Administration

Loan Payment Schedule Comments

Please review the preceding loan payment schedule. It shows the dates of your first interest and principal payments. The preceding loan payment schedule assumes you draw all the loan funds on the loan closing date. Borrowers often draw loan funds over time. Interest only accrues on the funds disbursed and only after the date of each disbursement.

You can view your payment schedule based on disbursements to date at <http://eif.doa.wi.gov/>. Select Loan Payment Schedule on the lower half of the page. You can also request loan payment information from doaeif@wisconsin.gov.

You can generate additional reports at <http://eif.doa.wi.gov/>.

<u>Available Report</u>	<u>Information Provided</u>
Auditor Verification Report	Information commonly requested by municipal auditors. Available for completed calendar years.
Loan Account History	Loan disbursements, principal payments, and loan balance.
Loan Payment Schedule	Future principal and interest payments for disbursements.
Payment History	Past principal and interest payments.
Disbursement History	Past loan and grant disbursements.

Use the Output to Excel button at the bottom of the page to create your report in Microsoft Excel. Find details on generating reports at <http://eif.doa.wi.gov/siteDescr.htm>.

The Environmental Improvement Fund sends invoices semi-annually. You will receive an invoice approximately 45 days prior to the due date. If you have multiple loans, we will send a single invoice showing the payment amount for each loan.

May 1: principal and interest payments due
November 1: interest payments due

For more information about your payment schedule, please email doaeif@wisconsin.gov. The first available staff will respond to your inquiry.

EXHIBIT C

FORM OF LOAN DISBURSEMENT TABLE

<u>Amount of Disbursement</u>	<u>Date of Disbursement</u>	<u>Series of Bonds</u>	<u>Principal Repaid</u>	<u>Principal Balance</u>
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____
\$ _____	_____	_____	\$ _____	\$ _____

EXHIBIT D

OPERATING CONTRACTS

As of the date of this FAA, the Municipality does not have any contracts with private entities or other governmental units to operate its Sewerage System.

EXHIBIT E

**ENVIRONMENTAL IMPROVEMENT FUND
CONTRACT UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE)**

MANDATORY PROJECT CLOSEOUT DOCUMENT

Note: This form is authorized by s. NR 162.14(4)(b)4, Wis. Adm. Code. Receipt of this completed form by the Department is mandatory prior to receiving a final disbursement. The information printed on this form is taken from the completed Good Faith Certification Form 8700-294 and MBE/WBE Contacts Worksheet Form 8700-294A. Any changes or additions made to the list of prime contractors and DBE subcontractors during the construction must be reflected on this form at closeout. Personal information collected on this form will be used for program administration and must be made available to requesters as required by Wisconsin Open Records Law (s. 19.31 – 19.39, Wis. Stats.).

Municipality Name: City of Racine

Project Numbers: 4285-99 and 4285-27

Total Loan/Grant Amount: \$25,494,808

Project Description: Upgrade Wastewater Treatment Plant Phase 1: AE Only

Did the municipality satisfy the MBE/WBE requirements? Yes No (If no, refer to Exhibit F-Project Manager Summary Page.)

Construction/Equipment/Supplies Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Lee Mechanical, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	13,851,243	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: August Winter & Sons, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input checked="" type="checkbox"/> N/A	Construction	5,295,000	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other <input type="checkbox"/> N/A			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

Professional/Technical Services Contracts	DBE Type	Type of Product or Service *	Contract Estimate \$	Actual Amount Paid to MBE/WBE Firm
				Municipality Completes at Project Closeout
Prime: Short Elliott Hendrickson, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	506,800	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: Carollo Engineers, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	2,039,775	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Prime: AECOM Technical Services, Inc.	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other X N/A	Engineering	2,832,700	
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
Sub:	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> Other			
				Total MBE \$ _____
				Total WBE \$ _____

*Type of Product or Service examples: landscaping, trucking, supplies, equipment, paving, concrete, plumbing, electrical, excavating, testing, design, etc.

Name of Person Completing This Form	Email Address	Phone Number
-------------------------------------	---------------	--------------

Certification		
I certify that, to the best of my knowledge and belief, the information provided on this form is complete and correct.		
Name/Title of Municipal Official	Signature	Date Signed

EXHIBIT F

PROJECT MANAGER SUMMARY PAGE

CITY OF RACINE

CWFP Project No. 4285-99

1. **Project Description:** The Project is composed of three parts. First, the ultraviolet (UV) disinfection system replacement portion includes replacement of the existing UV light disinfection system with a new UV disinfection system of the same design flow, demolition of the existing UV disinfection system equipment and metering vault, construction of a new UV disinfection building, and conversion of the existing UV disinfection buildings to new electrical rooms. Second, the blower and engine-generator portion of the Project includes installation of a new blower and an engine/generator in an existing building, as well as installation of new air flow control valves and associated air flow meters. Finally, the biogas conditioning portion of the Project includes installation of new gas conditioning equipment for removal of moisture, hydrogen sulfide, and siloxanes from anaerobic digester biogas. All construction, contingency, miscellaneous, and closing costs are included in the financial assistance agreement for CWFP project number 4285-27. This FAA, for CWFP project number 4285-99, includes all engineering costs.
2. **Ineligible Costs:** No ineligible engineering costs were identified in the review of this Project. If the Department identifies ineligible engineering costs as the Project progresses, the Department will notify the Municipality. Ineligible construction costs for the Project, if any, will be identified in the financial assistance agreement for CWFP project number 4285-27.
3. **Other Funding Sources:** This FAA includes funding from two other sources, CWFP project number 4285-27 and a Focus on Energy award. The FAA for CWFP project number 4285-27 is financing all of the construction, contingency, miscellaneous, and closing costs, which total \$20,038,436. The Municipality also received a Focus on Energy award that will fund \$77,097 of construction costs on project 4285-27.
4. **Equipment Replacement Fund:** The Municipality shall establish an equipment replacement fund according to s. NR 162.08, Wis. Adm. Code, and maintain the equipment replacement fund as a separate fund of the Municipality. The required minimum percentage shall be 40% resulting in a minimum balance of \$695,826.40. The Municipality has a maximum of three years from the first principal payment on the Loan to achieve the required minimum balance/percentage.
5. **American Iron and Steel:** The Project is subject to the use of American Iron and Steel (AIS) requirements of section 608 of the Act.
6. **Principal Forgiveness:** The general Principal Forgiveness amount allocated on the CWFP state fiscal year 2023 funding list for CWFP project 4285-25 was instead awarded towards CWFP project 4285-99. General Principal Forgiveness for this Project is calculated and awarded up to 55% of the CWFP total award amount, up to a cap of \$2,000,000. The Project is awarded \$2,000,000 in general Principal Forgiveness.

In addition, this Project is eligible to receive priority Principal Forgiveness for energy efficiency as a one-to-one match of incentives received through Focus on Energy. The Project is awarded \$50,000 in priority Principal Forgiveness for energy efficiency.

Therefore, a total of \$2,050,000 in Principal Forgiveness is awarded in this FAA. All disbursements will be processed at 55% Principal Forgiveness, up to the maximum of \$2,050,000.

7. **Composite Interest Rate:** The Project will have a composite interest rate of 2.190%. The composite interest rate calculations can be found in Exhibit F of the Financial Assistance Agreement for CWFP project number 4285-27 and has been copied below for convenience.

<i>For combined costs of 4285-27 and 4285-99.</i>	Interest Rate Category	Loan Dollars in FAA (A)	Portion of Loan Dollars in FAA (B)	Current CWFP Interest Rates (C)	Weighted Interest Rates (D)
	Subsidized	\$22,764,548	97.419%	2.145%	2.090%
	Market Rate	\$603,162	2.581%	3.900%	0.101%
Total Loan Dollars in FAA =		\$23,367,710	Composite Interest Rate = 2.190%		
Market Rate Costs Not in FAA =		\$0			
Other Project Costs Not in FAA =		\$0			
Total Project Costs =		\$23,367,710			
<p>(A) Subsidized categories are all categories that are less than market interest rate. (B) Equals (A) divided by "Total Loan Dollars in FAA". (C) CWFP interest rates in effect on date of municipal meeting at which bond resolution passed. (D) Equals (B) multiplied by (C).</p>					

EXHIBIT G

FEDERAL REQUIREMENTS COMPLIANCE CERTIFICATION

[Prepare on Municipal Letterhead at Project Completion and Closeout]

The undersigned officials of the City of Racine (the "Municipality") hereby certify that, for all expenditures made for construction of DNR Project Nos. 4285-99 and 4285-27 (the "Project"), the Municipality has met the prevailing wage rate requirements of the Davis-Bacon Act.

The Municipality further certifies that, after taking into account any national or project-specific waivers approved by the U.S. Environmental Protection Agency, DNR Project Nos. 4285-99 and 4285-27 have met the requirements for the use of American Iron and Steel contained in section 608 of the Federal Water Pollution Control Act, as amended.

The above certification is determined, after due and diligent investigation, to be true and accurate to the best of my knowledge.

By: _____
[Name of Municipal Official or
Authorized Representative]
[Title]

Dated as of: _____

Attest: _____
[Name of Clerk or Secretary]
[Title]

Dated as of: _____

\$23,367,711
City of Racine, Wisconsin
Wastewater Utility Revenue Bonds, Series 2023B

CLOSING CERTIFICATE

Cory Mason, the Mayor, and Tara McMenamin, the City Clerk of the City of Racine, Racine County, Wisconsin (the "Municipality"), hereby certify as follows:

1. We are the duly qualified and acting Mayor and City Clerk of the Municipality and have been such at all times pertinent to the authorization and delivery of the "Wastewater Utility Revenue Bonds, Series 2023B" of the Municipality (the "Bonds").
2. We have executed and sealed the negotiable, fully-registered Bonds. The Bonds are in the aggregate principal amount of \$23,367,711, are dated October 11, 2023, and are numbered from 1 upward. The Bonds mature in installments of principal due on May 1 of each of the years 2025 through 2043, and bear interest at a rate of 2.190% per annum. We were duly authorized to execute the same.
3. Attached in the Closing Transcript is a true and complete copy of a resolution entitled: "Resolution Authorizing the Issuance and Sale of Up to \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B, and Providing for Other Details and Covenants With Respect Thereto" (the "Bond Resolution"). The Bond Resolution was duly adopted by the Common Council of the Municipality (the "Governing Body") on October 3, 2023. The Bond Resolution has not been repealed, amended or modified in any respect and remains in full force and effect today.
4. Attached in the Closing Transcript is a true and complete copy of the Certificate of Compliance with Open Meeting Law Public Notice Requirements with respect to the October 3, 2023 meeting of the Governing Body of the Municipality, evidencing compliance with Subchapter V of Chapter 19, Wisconsin Statutes.
5. Attached in the Closing Transcript is a true and complete copy of the part of the minutes of the October 3, 2023 meeting of the Governing Body wherein the Governing Body adopted the Bond Resolution.
6. Attached in the Closing Transcript is a true and complete copy of a sworn affidavit from an authorized representative of the official newspaper of the Municipality, in which a notice has been published pursuant to Section 893.77, Wisconsin Statutes, regarding the adoption of the Bond Resolution.
7. Attached in the Closing Transcript is a Specimen Bond. The signatures of Cory Mason, the Mayor, and Tara McMenamin, the City Clerk of the Municipality, are their respective true signatures, and the seal of the Municipality appearing on the Bonds is an accurate impression or facsimile of the seal of the Municipality.

8. Attached in the Closing Transcript are true and complete copies of the Financial Assistance Agreements relating to the Bonds; said Financial Assistance Agreements have not been amended or modified in any respect and remain in full force and effect today.

9. The Municipality is a duly organized and existing municipal corporation of the State of Wisconsin.

10. There are no rules or resolutions in effect which require any officer or official of the Municipality, other than the Mayor and the City Clerk of the Municipality, to execute bonds of the Municipality.

11. Each meeting of the Governing Body or any committee of the Municipality at which the Bond Resolution was taken up was held at the place and time and called and notified in the manner routinely established by the Governing Body or such committee and proceeded in accordance with a written agenda; was notified to the public and news media and conducted in full compliance with the "open meeting" laws of the State of Wisconsin, and particularly Subchapter V, Chapter 19, Wisconsin Statutes; was held in a public, accessible place in the Municipality, with doors open at all times to the public; and no secret ballot was taken thereat; and no such meeting was commenced, subsequently convened in closed session and thereafter reconvened in open session, unless public notice of such subsequent open session was given at the same time and in the same manner as the public notice of the meeting convened prior to the closed session. All such meetings were fully lawful and in all respects in accordance with the rules of the Municipality. Each such meeting was a regular meeting or duly-called special meeting, held at the place in the Municipality, on the date and at the time and notified in the manner routinely established by rule of the Governing Body.

12. The meeting of the Governing Body was held on October 3, 2023, at which a quorum was present in person throughout. The Governing Body consists of 15 Alderpersons. At such meeting, the Bond Resolution was introduced by one of the Governing Body members in accordance with routinely established procedures of the Governing Body (all Governing Body members having full copies thereof in advance and adequate time to read and examine prior to adoption, and no member objecting); and, on motion duly made and seconded, duly adopted by the unanimous affirmative vote of the members present, upon an aye or no vote duly recorded in the Governing Body minutes.

13. The City Clerk of the Municipality has recorded a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in a separate record book as required by law. This record has been available for public inspection during normal business hours at the City Clerk's office in the Municipality and no person was denied the right to inspect or duplicate it.

14. We have reviewed the Additional Bonds Certificate, No Arbitrage Certificate, the Bond Resolution and the Form 8038-G, all appearing in the Closing Transcript, and to the best of our information and belief, all of the statements made in each respective document are true and correct.

15. No litigation is pending or, to our knowledge, threatened (i) to restrain or enjoin the issuance or delivery of any of the Bonds, or (ii) in any way contesting or affecting the validity of the Bonds or the Bond Resolution.

16. There is no litigation pending or, to our knowledge, threatened against the Municipality or involving any of the property or assets under the control of the Municipality that involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the business, properties, assets or in the condition, financial or otherwise, of the Municipality or the Wastewater Utility.

17. Neither the corporate existence nor boundaries of the Municipality nor the title of its present or former officers to their respective offices is being contested, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded. No petition has been filed requesting that the Bonds not be issued.

18. Based on our inquiry, information and belief, no part of the funds of the Municipality or the Wastewater Utility derived from the issuance and sale of the Bonds shall inure to the benefit of or be distributable to any official of the Wastewater Utility or of the Municipality, except for the lawful payment or compensation for services rendered and its lawful reimbursement of expenses incurred, and no loans shall be made, and no property or services shall be purchased or sold, leased or otherwise disposed of, to any such official as a result of the use of such funds by the Municipality or by the Wastewater Utility.

19. Based on our inquiry, information and belief, no official of the Wastewater Utility or of the Municipality has any private interest, direct or indirect, in any of the proceedings relating to the authorization, issuance and sale of the Bonds.

20. The Municipality is able to pay all of its current operating expenses in the usual course as they come due without need for special or exceptional tax levies.

21. The Bonds are payable only from and secured by a pledge of the income and revenues of the Wastewater Utility of the Municipality; and do not constitute an indebtedness of the Municipality within any constitutional or statutory limitation.

22. There are no obligations outstanding payable from a pledge of the income and revenues of the Wastewater Utility of the Municipality, other than the Municipality's Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008, Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010, Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018, Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018, Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021, Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023, and the Bonds.

23. The Municipality is not in default on any borrowed money obligation.

24. The Municipality has received a disbursement of Bond proceeds from the State on the date of this Certificate, representing the purchase price of the Bonds as provided in the Bond Resolution.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Municipality as of October 11, 2023.

CITY OF RACINE, WISCONSIN

(SEAL)

By: _____
Cory Mason
Mayor

By: _____
Tara McMenamin
City Clerk

Form **8038-G**

Information Return for Tax-Exempt Governmental Bonds

(Rev. October 2021)

Under Internal Revenue Code section 149(e)
See separate instructions.

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.
Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name City of Racine		2 Issuer's employer identification number (EIN) 39-6005581	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) City Hall, Finance Department, 730 Washington Avenue	Room/suite Room 103	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Racine, WI 53403		7 Date of issue 10/11/2023	
8 Name of issue Wastewater Utility Revenue Bonds, Series 2023B		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Kathleen Fischer, Finance Director/Treasurer		10b Telephone number of officer or other employee shown on 10a 262-636-9598	

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15 23,367,711
16 Housing	16
17 Utilities	17
18 Other. Describe ▶	18
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>
b If bonds are BANs, check only box 19b	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2043	\$ 23,367,711	\$ 23,367,711	11.204 years	2.1899 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22	Proceeds used for accrued interest	22	0	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	23,367,711	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	39,000	
25	Proceeds used for credit enhancement	25	0	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0	
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	0	
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	0	
29	Total (add lines 24 through 28)	29	39,000	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	23,328,711	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	0
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
c Enter the name of the GIC provider ▶ _____		
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input checked="" type="checkbox"/> and enter the following information:		
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____ See Ex A		
c Enter the EIN of the issuer of the master pool bond ▶ _____ 39-6028867		
d Enter the name of the issuer of the master pool bond ▶ State of Wisconsin		
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>		
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>		
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b Name of hedge provider ▶ _____		
c Type of hedge ▶ _____		
d Term of hedge ▶ _____		
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>		
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input checked="" type="checkbox"/>		
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input checked="" type="checkbox"/>		
45a If some portion of the proceeds was used to reimburse expenditures, check here <input checked="" type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____ 10/10/2021		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	_____ Signature of issuer's authorized representative	10/11/2023 Date	_____ Cory Mason, Mayor Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Rebecca A. Speckhard		10/11/2023		P01294827
	Firm's name ▶ Quarles & Brady LLP			Firm's EIN ▶	39-0432630
Firm's address ▶ 411 East Wisconsin Avenue, Milwaukee, WI 53202			Phone no.	(414) 277-5000	

Exhibit A

Attachment to IRS Form 8038-G

**CITY OF RACINE
(E.I.N. 39-6005581)
WASTEWATER UTILITY REVENUE BONDS, SERIES 2023B
DATED OCTOBER 11, 2023**

- Line 38a** Proceeds of another tax-exempt issue(s) issued by the State of Wisconsin (E.I.N. 39-6028867) may be used to make the initial or future disbursements of proceeds on this issue for nonrefunding purposes, but the date of such issue(s) and amount, if any, are unknown at this time.
- Line 38b** See above.
- Line 38c** See above.
- Line 38d** See above.

\$23,367,711
City of Racine, Wisconsin
Wastewater Utility Revenue Bonds, Series 2023B

ADDITIONAL BONDS CERTIFICATE

The undersigned City Clerk of the City of Racine, Racine County, Wisconsin (the "City") hereby certifies, in connection with the issuance of the City's Wastewater Utility Revenue Bonds, Series 2023B, dated October 11, 2023 (the "Bonds"), that:

1. (a) Pursuant to a resolution adopted on January 2, 2008 (the "2008 Resolution"), the City issued its Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008 (the "2008 Bonds"), and set certain restrictions on the issuance of additional bonds on a parity with the 2008 Bonds.

(b) Pursuant to a resolution adopted on March 2, 2010 (the "2010 Resolution"), the City issued its Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010 (the "2010 Bonds"), and set certain restrictions on the issuance of additional bonds on a parity with the 2010 Bonds.

(c) Pursuant to a resolution adopted on May 15, 2018 (the "2018 Resolution"), the City issued its Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018 (the "2018 Bonds"), and set certain restrictions on the issuance of additional bonds on a parity with the 2018 Bonds.

(d) Pursuant to a resolution adopted on June 19, 2018 (the "2018B Resolution"), the City issued its Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018 (the "2018B Bonds"), and set certain restrictions on the issuance of additional bonds on a parity with the 2018B Bonds.

(e) Pursuant to a resolution adopted on October 19, 2021 (the "2021 Resolution"), the City issued its Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021 (the "2021 Bonds"), and set certain restrictions on the issuance of additional bonds on a parity with the 2021 Bonds.

(f) Pursuant to a resolution adopted on September 19, 2023 (the "2023A Resolution"), the City issued its Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023 (the "2023A Bonds"), and set certain restrictions on the issuance of additional bonds on a parity with the 2023A Bonds.

(g) Collectively, the 2008 Resolution, 2010 Resolution, 2018 Resolution, 2018B Resolution, 2021 Resolution and 2023A Resolution are referred to herein as the "Prior CWF Resolutions", and the 2008 Bonds, 2010 Bonds, 2018 Bonds, 2018B Bonds, 2021 Bonds and 2023A Bonds are referred to herein as the "Prior CWF Bonds". The Prior CWF Bonds are

the only bonds outstanding payable from revenues of the Wastewater Utility of the City prior to issuance of the Bonds.

2. The conditions to the issuance of additional bonds on a parity with the Prior CWF Bonds are contained in Section 11(b) of the respective Prior CWF Resolutions. Those conditions are met in connection with the issuance of the Bonds, as follows:

(a) The Net Revenues (as defined in the Prior CWF Resolutions) of the City's Wastewater Utility for Fiscal Year 2022 were as follows:

Gross Earnings:	\$17,867,634
Less Current Expenses:	<u>9,210,569</u>
Net Revenues:	\$ 8,657,065

Such Net Revenues are in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the revenues of the Wastewater Utility and on the Bonds (\$3,115,339), times 1.10 (\$3,426,872), which is the highest debt service coverage ratio required with respect to any obligations payable from the revenues of the Wastewater Utility currently outstanding.

(b) The payments required to be made into the funds enumerated in Section 6 of the Prior CWF Resolutions have been made in full.

(c) The Resolution authorizing the Bonds provides that the Bonds shall mature on May 1 of each year and that interest thereon is payable semiannually on May 1 and November 1 of each year.

(d) The proceeds of the Bonds will be used only for the purpose of providing extensions and improvements to the Wastewater Utility.

Dated October 11, 2023.

CITY OF RACINE, WISCONSIN

Tara McMenamin
City Clerk

\$23,367,711
City of Racine, Wisconsin
Wastewater Utility Revenue Bonds, Series 2023B

NO ARBITRAGE CERTIFICATE

The undersigned officers of the City of Racine, Racine County, Wisconsin (the "Municipality") hereby certify as follows with regard to the Municipality's issuance of up to \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B, dated October 11, 2023 (the "Bonds").

I. IN GENERAL

1.1 Authority. The undersigned are officers of the Municipality charged by law and a resolution adopted by the Common Council of the Municipality on October 3, 2023 authorizing the issuance of the Bonds (the "Bond Resolution") with responsibility for issuing the Bonds and are acting for and on behalf of the Municipality in executing this Certificate.

1.2 Nature of Certificate. This Certificate accompanies the transcript of proceedings for the issuance of the Bonds and describes the Municipality's reasonable expectations as of this date, regarding the amount and use of the proceeds of the Bonds (the "Bond Proceeds").

1.3 Date of Certificate. This Certificate is made as of the date of issue, that is, the date on which there is a physical delivery of some or all of the Bonds in exchange for an amount of the purchase price for the Bonds exceeding the lesser of \$50,000 or five percent of the issue price of the Bonds.

II. PURPOSE

2.1 Governmental Purpose. The Bonds are being issued for the governmental purpose of constructing improvements and extensions to the wastewater utility system (the "Wastewater Utility") of the Municipality, consisting of construction of a project (the "Project") assigned Clean Water Fund Program Project No. 4285-27 for construction-related costs and No. 4285-99 for the engineering-related costs by the Department of Natural Resources, and as described in the Department of Natural Resources approval letter for the plans and specifications under Section 281.41 of the Wisconsin Statutes, assigned Number S-2022-0750 and dated October 12, 2022, Number S-2022-0809 and dated October 13, 2022 and Number S-2022-0784 and dated November 4, 2022 by the DNR.

2.2 Issuance Costs. \$39,000 of the proceeds of the Bonds will be used to pay issuance costs with respect to the Bonds.

2.3 New Money Proceeds. The balance of the proceeds (the "New Money Proceeds") will be used to pay the costs of the Project and to pay administrative expenses related to the Project.

2.4 No Replacement Proceeds. The Bonds are not being issued to replace any proceeds of an earlier issue of governmental obligations that were not expended on the project for which such earlier issue was intended. Neither the Municipality or any related party of the Municipality has or is reasonably expected to have any monies (other than sale proceeds or investment proceeds of the Bonds) that (i) could be used for the governmental purposes for which the Bonds are being issued and (ii) are not reasonably expected to be used for other purposes.

2.5 Not a Tax Anticipation Note. The Bonds are not being issued in anticipation of taxes or other revenues, such as tolls, fees, grants or awards.

2.6 No Abusive Arbitrage Device. In connection with the issuance of the Bonds, the Municipality has not and will not engage in any transaction or series of transactions (i) enabling the Municipality to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations in any manner including, without limitation, by selling Bonds that would not otherwise be sold or selling more Bonds, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary to accomplish the governmental purposes of the Bonds. No device has been employed in connection with the issuance of the Bonds to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

2.7 No Other Obligations. There are no other obligations of the Municipality which (a) have been or will be sold within 15 days of the date of sale of the Bonds; (b) are sold pursuant to the same plan of financing together with the Bonds; and (c) are reasonably expected to be paid out of substantially the same source of funds as the Bonds. The Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023 are being sold pursuant to a separate plan of financing and Financial Assistance Agreement unrelated to the plan of financing for the Bonds.

2.8 Covenant. The Municipality will not make or permit any use of the Bond Proceeds which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable income tax regulations (the "Regulations"), and hereby further covenants that it will observe and not violate the requirements of Section 148 of the Code or any applicable Regulations.

III. PROCEEDS AND FUNDS

3.1 Disposition of Proceeds. For tax purposes, the Bonds are considered issued on the date hereof because an amount of Bond Proceeds exceeding the lesser of \$50,000 or five percent (5%) of the Bond Proceeds is to be advanced on the date hereof pursuant to the Financial Assistance Agreements to either (i) reimburse the Municipality for Project expenses previously paid in anticipation of the receipt of Bond Proceeds or (ii) pay, within three days of the date hereof, invoices previously received for Project costs. Subsequent advances of Bond Proceeds shall be made, in an aggregate amount which, after adding the first advance, does not exceed the face amount of the Bonds. Such subsequent advances will be applied either to (i) reimburse the

Municipality for Project expenses previously paid in anticipation of the receipt of Bond Proceeds or (ii) pay Project invoices, as specified earlier, within three days of the date of receipt of such funds. Prior to the payment of Project invoices, the proceeds of the sale of the Bonds shall be deposited by the Municipality into a special fund designated as "Wastewater Utility CWFPP Project Fund." The Wastewater Utility CWFPP Project Fund shall be used solely for the purpose of paying the costs of the Project as described above and in the Financial Assistance Agreements relating to the Project dated October 11, 2023. Moneys in the Wastewater Utility CWFPP Project Fund shall be disbursed within three business days of their receipt from the State of Wisconsin and shall not be invested in any interest-bearing account.

3.2 Not an Overissuance. The total cost of the Project is expected to be greater than the principal sum of the Bonds. The net amounts received by the Municipality allocable to the Project will not exceed the aggregate amount necessary for the Project.

3.3 Project Expenditures; No Payments to Related Parties. All New Money Proceeds shall be used solely to pay costs of the Project. The Municipality reasonably expects that 100% of the New Money Proceeds will be allocated to expenditures on the Project during a 3-year period beginning on the date of delivery of the Bonds. No New Money Proceeds will be allocated to any payment to a related party to the payor.

3.4 Substantial Binding Obligations. The Municipality has incurred substantial binding obligations to third parties (which are not subject to a contingency within the control of the Municipality or of a related party of the Municipality) to expend at least 5% of the New Money Proceeds on the Project.

3.5 Work or Acquisition Will Proceed with Due Diligence. The Municipality expects that work on or acquisition of the Project will proceed with due diligence to completion, and that the allocation of the New Money Proceeds to expenditures on the Project will proceed with due diligence.

3.6 Project Not to be Sold. The Project will not be sold or otherwise disposed of, in whole or in part, prior to the last maturity of the Bonds.

3.7 Debt Service Fund. Revenues of the Wastewater Utility collected for payment of principal and interest on the Bonds will be deposited when received into a sinking fund, as required by law, and amounts therein may only be used to pay principal and interest on the Bonds and other outstanding revenue bonds of the Municipality. The sinking fund, designated the "Debt Service Fund," for the Bonds is used primarily to achieve a proper matching of revenues and principal and interest payments within each year. Based on the debt service requirements of the Bonds and the expected dates of collection of revenues to pay such debt service, the Municipality expects that (i) the Debt Service Fund will be depleted at least once each year except for a reasonable carry-over amount which is not expected to exceed the greater of (a) the earnings from the investment of the Debt Service Fund for the immediately preceding bond year, or (b) 1/12 of the principal and interest payments on the Bonds and other outstanding revenue bonds for the immediately preceding bond year; (ii) amounts deposited in the Debt Service Fund will only be invested for a period less than 13 months (assuming a first-in-first-out method of accounting for deposits to the Debt Service Fund); and (iii) all earnings from the

investment of the Debt Service Fund will be invested for a period not to exceed one year before being expended for payment of debt service on the Bonds. The Municipality has not established and does not expect to establish any other sinking fund or similar fund with respect to the Bonds. There are no other funds which are reasonably expected to be used to pay principal or interest on the Bonds or which are pledged to secure the Bonds.

3.8 No Bond Insurance. No premiums have been paid or will be paid to insure the Bonds.

3.9 No Reserve Fund. No reserve or replacement fund has been or will be established with regard to the Bonds.

3.10 Trade or Business. Not more than ten percent (10%) of either the proceeds of the Bonds or the Project is to be used (directly or indirectly) in a trade or business carried on by any person (other than a governmental unit), and not more than ten percent (10%) of the payment of the Bonds is (directly or indirectly): (i) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (ii) derived from payments (whether or not to the Municipality) in respect of property or borrowed money, used or to be used for a trade or business. Not more than five percent (5%) of either the proceeds of the Bonds or the Project is to be or has been used (directly or indirectly) for any trade or business carried on by any person (other than a governmental unit) which is not related to any governmental use of such proceeds or of the Project, and not more than five percent (5%) of the payment of the principal of, or interest on, the Bonds is (directly or indirectly): (a) secured by any interest in property used or to be used for a trade or business or payments in respect of such property; or (b) derived from payments (whether or not to the Municipality) in respect of property or borrowed money, used or to be used in a trade or business. None of the proceeds of the Bonds will be used (directly or indirectly) to make or finance loans to persons other than governmental units. All nongovernmental users of the Municipality's Wastewater Utility have access to and use the Wastewater Utility, and pay charges for use of the Wastewater Utility, on the same basis as all other members of the general public.

IV. REBATE

4.1 Rebate. The Municipality shall comply with the requirements of Section 148(f) of the Code, and applicable regulations thereunder, including Reg. §§ 1.148-1 through 1.148-11 as provided in the Bond Resolution. Because the Municipality will not invest the Bond Proceeds in anything other than a non-interest bearing checking account, and will disburse all Bond Proceeds received as described in Section 3.1 above, the Municipality will not earn a yield in excess of the Bond yield and is therefore anticipated to have no rebate liability. In addition, the Municipality reasonably anticipates that all Bond Proceeds will be disbursed within the time periods set forth in Section 148(f)(4) of the Code. Further, the Municipality has covenanted in the Bond Resolution that, unless the Bonds are exempt from the rebate requirement of the Code, it will establish a Rebate Fund and calculate and pay to the United States any rebate amount payable with respect to the Bonds.

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

V. OTHER TAX MATTERS

5.1 No Federal Guarantee. Except as permitted under Section 149(b)(3) of the Code, (a) the payment of principal of or interest with respect to the Bonds will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof, and (b) none of the proceeds of the Bonds will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts.

5.2 Not Hedge Bonds. None of the proceeds of the Bonds will be invested in nonpurpose investments having a substantially guaranteed yield for a period of four years or more.

5.3 Reimbursement. Any expenditures already paid by the Municipality prior to the date hereof for which the Municipality is to be reimbursed with proceeds of the Bonds (a) were paid no earlier than 60 days prior to October 10, 2021, the date on which the Municipality adopted a resolution, a true and correct copy of which is attached hereto in the Closing Transcript, stating its expectation to reimburse itself from the proceeds of the Bonds for any expenditures relating to the Project which it paid from other funds of the Municipality prior to receipt of the proceeds of the Bonds or (b) are preliminary expenditures relating to the Project (such as architectural, engineering, surveying, soil testing and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the aggregate issue price of the Bonds and any other issues that finance or are reasonably expected to finance the Project. The Project has not been placed in service as of the date hereof. Proceeds of the Bonds in an amount equal to the amount of expenditures on the Project which have been paid from other funds of the Municipality prior to the date hereof are hereby allocated to the reimbursement of those original expenditures.

5.4 Average Maturity. The term of the Bonds is no longer than reasonably necessary for the governmental purposes of the issue. The weighted average maturity of the Bonds (11.204 years) does not exceed 120% of the average reasonably expected economic life of the Project.

5.5 Form 8038-G. To the best of the Municipality's knowledge and belief, the information contained in the Information Return (Form 8038-G) attached in the transcript is complete and accurate.

VI. CONCLUSION

6.1 Expectations are Reasonable. To the best of our knowledge and belief, there are no other facts, estimates or circumstances that would materially change any of the Municipality's expectations as to future events described in this Certificate, and said expectations are reasonable.

IN WITNESS WHEREOF, we have set our hands as of October 11, 2023.

CITY OF RACINE, WISCONSIN

By: _____
Cory Mason
Mayor

By: _____
Tara McMenamin
City Clerk

REGISTERED
NO. 1

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

REGISTERED
\$23,367,711

WASTEWATER UTILITY REVENUE BOND, SERIES 2023B

Final
Maturity Date

May 1, 2043

Date of
Original Issue

October 11, 2023

REGISTERED OWNER: STATE OF WISCONSIN CLEAN WATER FUND 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 TWENTY-THREE MILLION THREE HUNDRED SIXTY-SEVEN THOUSAND SEVEN HUNDRED ELEVEN DOLLARS (\$23,367,711) (but only so much as shall have been drawn hereunder, as provided below) on May 1 of each year commencing May 1, 2025 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 2.190% 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 May 1, 2024.

The principal amount evidenced by this Bond may be drawn upon by the Municipality in accordance with the Financial Assistance Agreements 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, 2025 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 Two and 190/1000ths percent (2.190%) 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.

This Bond shall not be redeemable prior to its 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 Wastewater Utility of the Municipality, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, and a resolution adopted October 3, 2023, and entitled: "Resolution Authorizing the Issuance and Sale of Up to \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B, and Providing for Other Details and Covenants With Respect Thereto" and is payable only from the income and revenues of the Wastewater Utility of the Municipality (the "Utility"). The Bonds are issued on a parity with the Municipality's Wastewater Utility Revenue Bonds, Series 2008, dated January 23, 2008, Wastewater Utility Revenue Bonds, Series 2010, dated March 24, 2010, Taxable Wastewater Utility Revenue Bonds, Series 2018, dated May 23, 2018, Wastewater Utility Revenue Bonds, Series 2018B, dated June 27, 2018, Wastewater Utility Revenue Bonds, Series 2021, dated November 10, 2021 and Wastewater Utility Revenue Bonds, Series 2023A, dated September 27, 2023, 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: _____
Cory Mason
Mayor

By: _____
Tara McMenamin
City Clerk

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

\$23,367,711

CITY OF RACINE, WISCONSIN
WASTEWATER UTILITY REVENUE BONDS, SERIES 2023B

<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, 2025	\$1,004,925.79
May 1, 2026	1,026,933.67
May 1, 2027	1,049,423.52
May 1, 2028	1,072,405.89
May 1, 2029	1,095,891.58
May 1, 2030	1,119,891.61
May 1, 2031	1,144,417.23
May 1, 2032	1,169,479.97
May 1, 2033	1,195,091.58
May 1, 2034	1,221,264.09
May 1, 2035	1,248,009.77
May 1, 2036	1,275,341.18
May 1, 2037	1,303,271.16
May 1, 2038	1,331,812.79
May 1, 2039	1,360,979.50
May 1, 2040	1,390,784.95
May 1, 2041	1,421,243.13
May 1, 2042	1,452,368.36
May 1, 2043	1,484,175.23



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Chicago
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Indianapolis
Madison
Milwaukee
Minneapolis
Naples
Phoenix
San Diego
Tampa
Tucson
Washington, D.C.

September 14, 2023

VIA EMAIL

Mr. Nate Tillis
Wastewater Utility Director
Racine Wastewater Utility
800 Center Street
Room 227
Racine, WI 53403

Scope of Engagement Re: Proposed Issuance of \$23,367,711 City of Racine (the "City")
Wastewater Utility Revenue Bonds, Series 2023B (Clean Water Fund Loan)

Dear Mr. Tillis:

We are pleased to be working with the City and Utility again as the City's bond counsel.

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced bonds (the "Bonds") by the City.

Role of Bond Counsel

Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations. As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor (if any), prior to the issuance of the Bonds; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion. As bond counsel, we do not advocate the interests of the City or any other party to the transaction. We assume that the parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- 1) the City has authority to issue the Bonds for the purpose in question and has followed proper procedures in doing so;
- 2) the Bonds are valid and binding obligations of the City according to their terms;
and,

- 3) the interest paid on the Bonds will be excludable from gross income for federal income tax purposes (subject to certain limitations which may be expressed in the opinion).

The opinion will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide any post-closing compliance services including any assistance with the City's continuing disclosure commitment, ongoing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes, or participating in an Internal Revenue Service, Securities and Exchange Commission or other regulatory body survey or investigation regarding or audit of the Bonds.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

The services we will provide under this engagement are strictly limited to legal services. We are neither qualified nor engaged to provide financial advice and we will make no representation about the desirability of the proposed plan of finance, the feasibility of the projects financed or refinanced by the Securities, or any related matters.

Diversity of Practice; Consent to Unrelated Engagements

Because of the diversity of practice of our firm, the firm may be asked to represent other clients in matters adverse to the City, for example, in zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements require that we obtain the City's consent to such representations. We do not represent you in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel work does not usually provide us information that will be disadvantageous to you in other representations. We do not believe that such representations of others would adversely affect our relationship with you, and we have found that local governments generally are agreeable to the type of unrelated representation described above. Your approval of this letter will serve to confirm that the City consents and agrees to our representation of other present or future clients in matters adverse to the City which are not substantially related to the borrowing and finance area or any other area in which we have agreed to serve it. We agree, however, that your prospective consent to conflicting representation contained in this paragraph shall not apply in any instance where, as a result of our representation of the City, we have obtained proprietary or other confidential information, that, if known to the other client, could be used by that client to your material disadvantage. We will not disclose to the other client(s) any confidential information received during the course of our representation of the City. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent the purchaser of the Bonds, the State of Wisconsin, and various departments and agencies of the State (collectively, the "State") or other bond market participants such as the City's financial advisor, if any. In past and current transactions that are not related to the issuance of the Bonds and our role as bond counsel to the City, we may have served or be serving as bond counsel or other counsel to the State or the City's financial advisor. We may also be asked to represent the State or the City's financial advisor in future transactions that are not related to the issuance of the Bonds or our role as bond counsel to the City. Your approval of this letter will serve to confirm that the City consents to our firm undertaking representations of this type.

As bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or other disclosure document with respect to the Bonds, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. However, if a disclosure document is prepared and adopted or approved by the City, we will either prepare or review any description therein of:

- i) Wisconsin and federal law pertinent to the validity of the Bonds and the tax treatment of interest paid thereon and
- (ii) our opinion.

Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee as bond counsel would be approximately \$39,000, including all expenses. Such fee and expenses may vary: (i) if the principal amount of Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that the City is responsible for our fee.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing out of proceeds of the Bonds or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

Limited Liability Partnership

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

Conclusion and Request for Signed Copy

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:TAB
#780205.00096

- cc: Mr. Paul Vornholt (via email)
- Ms. Tara McMenamin (via email)
- Ms. Crystal Moore (via email)
- Ms. Kathleen Fischer (via email)
- Mr. Kenneth Scolaro (via email)
- Scott Letteney, Esq. (via email)
- Ms. Karen Wirtz (via email)
- Ms. Ellen Nuechterlein (via email)
- Mr. Michael Gitter (via email)
- Mr. Ed Maxwell (via email)
- Ms. Tracy A. Berrones (via email)

Accepted and Approved:

CITY OF RACINE

By: _____

Its: _____

Title

Date: _____

NOTICE

On October 3, 2023, 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 \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B. The closing on these Bonds will be held on October 11, 2023. 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: _____, 2023.

CITY OF RACINE, WISCONSIN
Tara McMnamin, City Clerk

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.

Name:
Title:

Attest:

Name:
Title:

(SEAL)

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



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Attorneys at Law in
Chicago
Denver
Indianapolis
Madison
Milwaukee
Minneapolis
Naples
Phoenix
San Diego
Tampa
Tucson
Washington, D.C.

September 14, 2023

VIA EMAIL

Ms. Kathleen Fischer
Finance Director/Treasurer
City of Racine
City Hall, Finance Department, Room 103
730 Washington Avenue
Racine, WI 53403

Re: Bond Resolution - \$23,367,711 City of Racine Wastewater Utility Revenue Bonds, Series 2023B (Clean Water Fund Loan) (the "Revenue Bonds")

Dear Ms. Fischer:

Attached for consideration at the September 19 Wastewater Commission, September 25 Finance Committee, and October 3, 2023 Common Council meeting is a copy of a **Resolution** authorizing the execution of the Financial Assistance Agreements and the issuance of the Revenue Bonds to the State of Wisconsin Clean Water Fund Program. A copy of the draft Financial Assistance Agreements provided by DNR to the Utility Director 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 meetings. 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). **If the meeting will be a virtual meeting, please be sure to include on the agenda and the notices the dial-in number or other information necessary for the public and the media to access and monitor the meeting.** The attached **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 attached an **Excerpts of Minutes** form for you to complete which records the vote on the Resolution.

Ms. Kathleen Fischer
September 14, 2023
Page 2

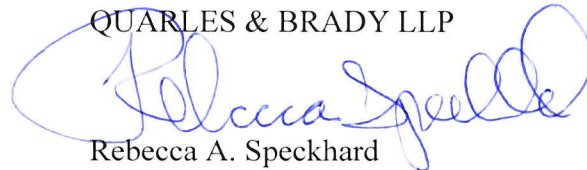
We are also enclosing a **Tax Matters Questionnaire**. Please review, correct, if necessary, complete and return it to us.

Finally, we are attaching 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 these documents or any other matter, please do not hesitate to call me at (414) 277-5761.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:TAB
Enclosures
#780205.00096

cc: Mr. Paul Vornholt (w/enc. via email)
Ms. Tara McMenemy (w/enc. via email)
Ms. Crystal Moore (w/enc. via email)
Mr. Mike Gitter (w/enc. via email)
Mr. Kenneth Scolaro (w/enc. via email)
Scott Letteney, Esq. (w/enc. via email)
Ms. Karen Wirtz (w/enc. via email)
Ms. Ellen Nuechterlein (w/enc. via email)
Mr. Nate Tillis (w/enc. via email)
Mr. Ed Maxwell (w/enc. via email)
Mr. Brad Viegut (w/enc. via email)
Mr. Jordan Thurow (w/enc. via email)
Ms. Danielle Olson (w/enc. via email)
Ms. Emily Timmerman (w/enc. via email)
Ms. Rebecca Moskonas (w/enc. via email)
Mr. Aaron Heintz (w/enc. via email)
Ms. Katherine C. Miller (w/enc. via email)
Ms. Jessica Fandrich (w/enc. via email)
Ms. Rachel Liegel (w/enc. via email)
Ms. Andrea Ceron (w/enc. via email)
Ms. Blythe Cassidy (w/enc. via email)
Ms. Tracy A. Berrones (w/enc. via email)



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Naples
Phoenix
San Diego
Tampa
Tucson
Washington, D.C.

September 14, 2023

VIA EMAIL

Ms. Kathleen Fischer
Finance Director/Treasurer
City of Racine
City Hall, Finance Department, Room 103
730 Washington Avenue
Racine, WI 53403

Re: \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B
(Clean Water Fund Loan) - Closing Documents

Dear Ms. Fischer:

Attached please find a PDF with the full text of the closing documents for the above-referenced financing. *(The full text of the closing documents are provided for your information and review only, and there is no need to print or return them.)* **By separate email**, after Council approval of the Resolution, we will be sending a PDF containing all action documents/signature pages of the closing documents directly to the appropriate signatories.

These closing documents contain certifications upon which we are relying in giving our opinion as to the validity and tax-exempt status of the Bonds. These certifications reflect information we have obtained from you or other transaction participants. Please review all of the certifications carefully and confirm that the information is correct. If you have questions about any of the certifications, please call us to discuss them.

Please also note that since the City entered into a continuing disclosure undertaking in connection with bonds or notes issued on or after February 27, 2019, the incurrence of this Clean Water Fund may constitute a material event of which notice must be posted on the EMMA website within 10 business days.

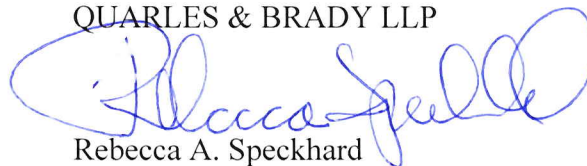
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Ms. Kathleen Fischer
September 14, 2023
Page 2

If you have any questions regarding the attached, please give me a call.

Very truly yours,

QUARLES & BRADY LLP



Rebecca A. Speckhard

RAS:TAB

Enclosures

#780205.00096

cc: Mr. Paul Vornholt (via email)
Ms. Tara McMenamin (via email)
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Ms. Andrea Ceron (via email)
Ms. Blythe Cassidy (via email)
Ms. Tracy A. Berrones (via email)

Tax Matters Questionnaire

**City of Racine, Wisconsin ("Issuer")
Wastewater Utility Revenue Bonds, Series 2023B ("Obligations")**

In anticipation of the Issuer's upcoming Clean Water Fund 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: Clean Water Fund Project consisting of: improvements to wastewater treatment facility (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 Wastewater Utility 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 Wastewater Utility System or Project or purchase output from the Wastewater Utility 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 Wastewater Utility 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 Wastewater Utility 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. Six Month Expenditure Exception: Do you expect to spend all of the proceeds of the Obligations within 6 months?

YES NO

2. 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?

3. 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 3a. 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.

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 herein 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: Nate Tillis
Title: Wastewater Utility Director
Phone: 262-636-9434
City of Racine, Water and Wastewater Utilities
Date: _____

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 October 3, 2023. 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 \$23,367,711
WASTEWATER UTILITY REVENUE BONDS, SERIES 2023B, 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, Tara McMenamin, 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 October 3, 2023 with respect to Common Council action to authorize the issuance and sale of \$23,367,711 Wastewater Utility Revenue Bonds, Series 2023B.

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 October 3, 2023.

Tara McMenamin
City Clerk

(SEAL)