

*****ATTACHMENTS*****

III

3.4

Res. No. 4 - 20 - 21. By Alderpersons Donohue and Bohren.
April 21, 2020.

A RESOLUTION authorizing the appropriate City officials to execute two (2) engagement letters with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan.

RESOLVED: That the appropriate City officials are hereby authorized to enter into the two (2) attached engagement letters with Quarles & Brady LLP to serve as bond counsel for the City of Sheboygan regarding the issuance of \$3,100,000 in Taxable Water Utility Revenue Bond Anticipation Notes (Series 2020B) and \$4,985,000 in General Obligation Promissory Notes (Series 2020A).

FAP

By Lynne Donohue

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor



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Scottsdale
Tampa
Tucson
Washington, D.C.

April 15, 2020

VIA EMAIL

Ms. Meredith DeBruin
City Clerk
City of Sheboygan
City Hall
828 Center Avenue
Sheboygan, WI 53081

Scope of Engagement Re: Proposed Issuance of \$3,100,000 City of Sheboygan (the "City") Taxable Water Utility Revenue Bond Anticipation Notes, Series 2020B (the "Securities")

Dear Ms. DeBruin:

We are pleased to be working with you again as the City's bond counsel. Thank you for your confidence in us.

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 Securities. If you have any questions about this letter or the services we will provide, or if you would like to discuss modifications, please contact me.

Role of Bond Counsel

Our bond counsel engagement is a limited, special counsel engagement. 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. If you desire additional information about the role of bond counsel, we would be happy to provide you with a copy of a brochure prepared by the National Association of Bond Lawyers.

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 or underwriter or placement agent, prior to the issuance of the Securities; review certified

proceedings; and undertake such additional duties as we deem necessary to render the bond counsel opinion described below. 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 Securities for the purpose in question and has followed proper procedures in doing so;
- 2) the Securities are valid and binding obligations of the City according to their terms; and
- 3) the interest paid on the Securities will be included in gross income for federal income tax purposes.

The bond counsel opinion will be executed and delivered by us in written form on the date the Securities 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, or participating in a Securities Exchange Commission or other regulatory body survey or investigation regarding or audit of the Securities.

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, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to you is limited to the specialized area of bond counsel. 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. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. 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 underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Securities and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Securities or that is serving as the City's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Securities or the City's financial advisor, in future transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

A form of our opinion and a form of a Continuing Disclosure Certificate (which we may prepare) may be included in the Official Statement or other disclosure document for the Securities. However, 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 Securities, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. If an Official Statement or other 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 Securities 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 will be \$10,500. Such fee and expenses may vary: (i) if the principal amount of Securities 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 our fee will be paid out of proceeds of the Securities at Closing.

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 Securities 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.

Terms of Engagement

Either the City or Quarles & Brady may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. If the City terminates our services, the City is responsible for promptly paying us for all fees, charges, and expenses incurred before the date we receive termination. We reserve the right to withdraw from representing the City if, among other things, the City fails to honor the terms of this engagement letter – including the City's failing to pay our bills, the City's failing to cooperate or follow our advice on a material matter, or our becoming aware of any fact or circumstance that would, in our view, render our continuing representation unlawful or unethical.

Unless previously terminated, our representation will terminate when we send to the City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

Ms. Meredith DeBruin
April 15, 2020
Page 5

City Responsibilities

We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The City agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.

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.

Ms. Meredith DeBruin
April 15, 2020
Page 6

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

Very truly yours,

QUARLES & BRADY LLP

/s/ Rebecca Speckhard

Rebecca A. Speckhard

RAS:SMW:bes
#850357.00063

cc: Mr. Darrell Hofland (via email)
Mr. Martin W. Halverson (via email)
Ms. Melissa Clevenger (via email)
Mr. Charles C. Adams (via email)
Mr. Thomas Cameron (via email)
Ms. Carol Ann Wirth (via email)
Ms. Gloria Herron (via email)

Accepted and Approved:

CITY OF SHEBOYGAN

By: _____

Its: _____

Title

Date: _____



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Attorneys at Law in
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Naples
Phoenix
Scottsdale
Tampa
Tucson
Washington, D.C.

April 15, 2020

VIA EMAIL

Ms. Meredith DeBruin
City Clerk
City of Sheboygan
City Hall
828 Center Avenue
Sheboygan, WI 53081

Scope of Engagement Re: Proposed Issuance of \$4,985,000 City of Sheboygan (the "City") General Obligation Promissory Notes, Series 2020A (the "Securities")

Dear Ms. DeBruin:

We are pleased to be working with you again as the City's bond counsel. Thank you for your confidence in us.

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 Securities. If you have any questions about this letter or the services we will provide, or if you would like to discuss modifications, please contact me.

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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 or underwriter or placement agent, prior to the issuance of the Securities; review certified proceedings; and undertake such additional duties as we deem necessary to render the bond

counsel opinion described below. 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 Securities are valid and binding general obligations of the City;
- 2) all taxable property in the territory of the City is subject to ad valorem taxation without limitation as to rate or amount to pay the Securities; and
- 3) the interest paid on the Securities will be excludable from gross income for federal income tax purposes (subject to certain limitations which may be expressed in the opinion).

The bond counsel opinion will be executed and delivered by us in written form on the date the Securities 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 Securities will continue to be excluded from gross income for federal income tax purposes, or participating in an Internal Revenue Service, Securities Exchange Commission or other regulatory body survey or investigation regarding or audit of the Securities.

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.

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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 will be \$14,000. Such fee and expenses may vary: (i) if the principal amount of Securities 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 our fee will be paid out of proceeds of the Securities at Closing.

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Unless previously terminated, our representation will terminate when we send to the City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

Ms. Meredith DeBruin
April 15, 2020
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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.

Ms. Meredith DeBruin
April 15, 2020
Page 6

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

/s/ Rebecca Speckhard

Rebecca A. Speckhard

RAS:SMW:bes
#850357.00065

cc: Mr. Darrell Hofland (via email)
Mr. Martin W. Halverson (via email)
Ms. Melissa Clevenger (via email)
Mr. Charles C. Adams (via email)
Mr. Thomas Cameron (via email)
Ms. Carol Ann Wirth (via email)
Ms. Gloria Herron (via email)

Accepted and Approved:

CITY OF SHEBOYGAN

By: _____

Its: _____
Title

Date: _____

III

3.5

Res. No. 5 - 20 - 21. By Alderpersons Donohue and Bohren.
April 21, 2020.

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$4,985,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A.

WHEREAS, on April 8, 2020, the Common Council of the City of Sheboygan, Sheboygan County, Wisconsin (the "City") adopted a resolution providing for the sale of General Obligation Promissory Notes, Series 2020A (the "Notes") for public purposes, including paying the cost of various construction, improvement and acquisition projects set forth in the City's 2020 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repair and improvements, park improvements and upgrades, storm water projects, the acquisition of vehicles and other equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts (collectively, the "Project");

WHEREAS, the City is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Wisconsin Public Finance Professionals, LLC ("WFPF"), to take the steps necessary for the City to offer and sell the Notes at public sale and to obtain bids for the purchase of the Notes; and

WHEREAS, in order to facilitate the sale of the Notes in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the Finance Director/Treasurer (each an "Authorized Officer") the authority to accept on behalf of the City the bid for the Notes that results in the lowest true interest cost for the Notes (the "Proposal") and meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

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

Section 1. Authorization and Sale of the Notes; Parameters. For the purpose of paying costs of the Project, the City is authorized to borrow pursuant to Section 67.12(12) Wisconsin Statutes, the principal sum of not to exceed FOUR MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

FHP

(\$4,985,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 16 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser") for, on behalf of and in the name of the City, Notes aggregating the principal amount of not to exceed FOUR MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$4,985,000). The purchase price to be paid to the City for the Notes shall not be less than 100% nor more than 101% of the principal amount of the Notes.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2020A"; shall be issued in the aggregate principal amount of up to \$4,985,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and mature on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity may be increased or decreased by up to \$100,000 per maturity and that the aggregate principal amount of the Notes shall not exceed \$4,985,000. The schedule below assumes the Notes are issued in the aggregate principal amount of \$4,985,000.

<u>Date</u>	<u>Principal Amount</u>
12-01-2021	\$330,000
12-01-2022	325,000
12-01-2023	320,000
12-01-2024	330,000
12-01-2025	265,000
12-01-2026	415,000
12-01-2027	520,000
12-01-2028	1,265,000
12-01-2029	1,215,000

Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2021. The true interest cost on the Notes (computed taking the compensation paid directly to the Purchaser into account) will not exceed 2.75%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Section 3. Redemption Provisions. The Notes maturing on 2028 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2020 through 2028 for the payments due in the years 2021 through 2029 in the amounts in such amounts as are sufficient to meet the principal and interest payments when due.

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

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

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2020A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There

shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

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

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

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have

been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

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

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

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

Section 10. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes,

interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Notes; Closing; Professional Services.

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

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by a fiscal agent designated in the Approving Certificate (the "Fiscal Agent").

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

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name

of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

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

Section 14. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 16. Condition on Issuance and Sale of the Notes. The issuance of the Notes and the sale of the Notes to the Purchaser are subject to approval by the Authorized Officer of the principal amount, definitive maturities, interest rates and purchase price for the Notes, which approval shall be evidenced by execution by the Authorized Officer of the Approving Certificate.

The Notes shall not be issued, sold or delivered until such condition is satisfied. Upon satisfaction of such condition, the Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Notes to the Purchaser.

Section 17. Official Statement. The Common Council hereby directs an Authorized Officer to approve the Preliminary Official Statement with respect to the Notes and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official

Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

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

Section 20. Conflicting Resolutions; Severability; Effective Date.

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

Mylynn Nowak

DRAFT

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of

_____, 20_____.

Dated _____, 20_____, _____, City Clerk

Approved _____, 20_____, _____, Mayor

EXHIBIT A

Approving Certificate

(See Attached)

DRAFT

CERTIFICATE APPROVING THE DETAILS OF
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A

The undersigned [_____] of the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby certifies that:

1. Resolution. On May 4, 2020, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$4,985,000 General Obligation Promissory Notes, Series 2020A of the City (the "Notes") after a public sale and delegating to me the authority to approve the purchase proposal for the Notes, and to determine the details for the Notes within the parameters established by the Resolution.

2. Proposal; Terms of the Notes. On the date hereof, the Notes were offered for public sale and the bids set forth on the Bid Tabulation attached hereto as Schedule I and incorporated herein by this reference were received and the institution listed first on the Bid Tabulation (the "Purchaser") offered to purchase the Notes in accordance with the terms set forth in the Proposal attached hereto as Schedule II and incorporated herein by this reference (the "Proposal"). Wisconsin Public Finance Professionals, LLC recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Notes shall be issued in the aggregate principal amount of \$_____, which is not more than the \$4,985,000 approved by the Resolution, and shall mature on December 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule III and incorporated herein by this reference. The amount of each annual principal due on the Notes is not more than \$100,000 more or less per than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
12-01-2021	\$ 330,000	\$ _____
12-01-2022	325,000	_____
12-01-2023	320,000	_____
12-01-2024	330,000	_____
12-01-2025	265,000	_____
12-01-2026	415,000	_____
12-01-2027	520,000	_____
12-01-2028	1,265,000	_____
12-01-2029	1,215,000	_____

The true interest cost on the Notes (computed taking the compensation paid directly to the Purchaser into account) is _____%, which is not in excess of 2.75%, as required by the Resolution.

3. Purchase Price of the Notes. The Notes shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$_____, plus accrued interest, if any, to the date of delivery of the Notes which is not less than 100% nor more than 101% of the principal amount of the Notes as required by the Resolution.

4. Payment of the Notes; Fiscal Agent. Pursuant to the Resolution, _____, is named fiscal agent for the Notes.

5. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same respectively falls due, the full faith, credit and taxing powers of the City have been irrevocably pledged and there has been levied on all of the taxable property in the City, pursuant to the Resolution, a direct, annual irrepealable tax in an amount and at the times sufficient for said purpose. Such tax shall be for the years and in the amounts set forth on the debt service schedule attached hereto as Schedule IV.

6. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, interest rates, purchase price and redemption provisions for the Notes and the direct annual irrepealable tax levy to repay the Notes, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on _____, 2020 pursuant to the authority delegated to me in the Resolution.

[]
[]

SCHEDULE I TO APPROVING CERTIFICATE

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

DRAFT

SCHEDULE II TO APPROVING CERTIFICATE

Proposal

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

DRAFT

SCHEDULE III TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

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SCHEDULE IV TO APPROVING CERTIFICATE

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

DRAFT

EXHIBIT B

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
SHEBOYGAN COUNTY
NO. R- _____ CITY OF SHEBOYGAN \$ _____
GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2020A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
December 1, _____, _____ % _____
_____ 20 _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2021 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by [_____, _____, _____] OR [the City Clerk or City Treasurer] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of \$4,985,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the public purpose of paying the cost of various construction, improvement and acquisition projects set forth in the City's 2020 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repair and improvements, park improvements and upgrades, storm water projects, the acquisition of vehicles and other equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts, as authorized by a resolution adopted on May 4, 2020 as supplemented by a Certificate Approving the Details of General Obligation Promissory Notes, Series 2020A. Said Resolution is recorded in the official minutes of the Common Council for said date.

The Notes maturing on December 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have

existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrevocable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

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

This Note is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the City appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

[This Note shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.]

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

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

CITY OF SHEBOYGAN
SHEBOYGAN COUNTY, WISCONSIN

By: _____
Mayor

(SEAL)

By: _____
City Clerk

DRAFT

[Date of Authentication: _____, _____]

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue authorized by the within-mentioned Resolution of the City of Sheboygan, Sheboygan County, Wisconsin.

_____, _____

By _____
[Authorized Signatory]

DRAFT

ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

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

(Depository or Nominee)

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

(Authorized Officer)

CITY OF SHEBOYGAN

REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Res 5-20-21 by Alderpersons Donohue and Bohren. A resolution providing for the sale of \$4,985,000 General Obligation Promissory Notes, Series 2020A.

REPORT PREPARED BY: Marty Halverson, Finance Director

REPORT DATE: April 29, 2020

MEETING DATE: May 4, 2020

FISCAL SUMMARY:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

STATUTORY REFERENCE:

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

The City of Sheboygan is preparing for issuance of General Obligation Promissory Notes Series 2020A in the amount of \$4,985,000 for the following “projects”:

- \$1,983,000 Street improvement projects
- \$1,115,000 Building improvement projects
- \$247,000 Vehicles & Heavy Equipment
- \$290,000 Management plans and tennis court resurfacing
- \$170,000 TID 16-LED Street Lighting Upgrade - Downtown
- \$630,000 TID 17-Badger State Lofts Infrastructure Completion
- \$550,000 TID 19-Niagara Ave Reconstruction and Storm Sewer(East and West of N 14 St)

STAFF COMMENTS

Staff members have been in discussions with Carol Wirth of WI Public Finance Professional LLC to coordinate the sale of these General Obligation Promissory Notes, dated May 18, 2020.

ACTION REQUESTED

Motion to recommend the Common Council approve Res 5-20-21 by Alderpersons Donohue and Bohren.

ATTACHMENTS:

- I. Res. No. 5-20-21

OFFICE OF THE CITY CLERK
Sheboygan, Wisconsin
City Hall

I hereby certify that this is a true copy of a document
from the Common Council
proceedings of the City of Sheboygan.

City Clerk

Res. No. _____. By Alderperson _____ . May 4, 2020.

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$4,985,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A

WHEREAS, on April 8, 2020, the Common Council of the City of Sheboygan, Sheboygan County, Wisconsin (the "City") adopted a resolution providing for the sale of General Obligation Promissory Notes, Series 2020A (the "Notes") for public purposes, including paying the cost of various construction, improvement and acquisition projects set forth in the City's 2020 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repair and improvements, park improvements and upgrades, storm water projects, the acquisition of vehicles and other equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts (collectively, the "Project");

WHEREAS, the City is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Wisconsin Public Finance Professionals, LLC ("WPFP"), to take the steps necessary for the City to offer and sell the Notes at public sale and to obtain bids for the purchase of the Notes; and

WHEREAS, in order to facilitate the sale of City has received bids for the Notes as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference;

WHEREAS, it has been determined that the proposal (the "Proposal") attached hereto as Exhibit C and incorporated herein by this reference complies with the bid requirements set forth in the Notice of Sale and the parameters set forth in a timely manner this resolution;

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the Finance Director/Treasurer (each an "Authorized Officer") the authority to ~~accept on behalf of the City the bid for the Notes that results in the lowest true interest cost for the Notes (the "Proposal") and certify that the Proposal~~ meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit AD and incorporated herein by reference (the "Approving Certificate").

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

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

Section 2B. Authorization and Sale of the Notes; Parameters. For the purpose of paying costs of the Project, the City is authorized to borrow pursuant to Section 67.12(12) Wisconsin Statutes, the principal sum of not to exceed FOUR MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$4,985,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the condition set forth in Section 16 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser") for, on behalf of and in the name of the City, Notes aggregating the principal amount of not to exceed FOUR MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$4,985,000). The purchase price to be paid to the City for the Notes shall not be less than 100% nor more than 101% of the principal amount of the Notes.

Section 1C. Authorization of the Proposal. The Mayor and City Clerk are hereby authorized, empowered and directed to execute the Proposal.

Section 3. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2020A"; shall be issued

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in the aggregate principal amount of up to \$4,985,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and mature on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity may be increased or decreased by up to \$100,000 per maturity and that the aggregate principal amount of the Notes shall not exceed \$4,985,000. The schedule below assumes the Notes are issued in the aggregate principal amount of \$4,985,000.

<u>Date</u>	<u>Principal Amount</u>
12-01-2021	\$330,000
12-01-2022	325,000
12-01-2023	320,000
12-01-2024	330,000
12-01-2025	265,000
12-01-2026	415,000
12-01-2027	520,000
12-01-2028	1,265,000
12-01-2029	1,215,000

Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2021. The true interest cost on the Notes (computed taking the compensation paid directly to the Purchaser into account) will not exceed 2.75%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Section 4. Redemption Provisions. The Notes maturing on 2028 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit DE and incorporated herein by this reference.

Section 6. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of

the taxable property of the City a direct annual irrevocable tax in the years 2020 through 2028 for the payments due in the years 2021 through 2029 in the amounts in such amounts as are sufficient to meet the principal and interest payments when due.

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

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

Section 7. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2020A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and

interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

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

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

Section 8. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 9. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 10. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 11. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 12. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 13. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by a fiscal agent designated in the Approving Certificate (the "Fiscal Agent").

Section 14. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute

and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

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

Section 15. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the City at the close of business on the Record Date.

Section 16. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 17. Condition on Issuance and Sale of the Notes. The issuance of the Notes and the sale of the Notes to the Purchaser are subject to approval by the Authorized Officer of the principal amount, definitive maturities, interest rates and purchase price for the Notes, which approval shall be evidenced by execution by the Authorized Officer of the Approving Certificate.

The Notes shall not be issued, sold or delivered until such condition is satisfied. Upon satisfaction of such condition, the ~~Authorized Officer is~~ Mayor and City Clerk are authorized to execute a Proposal with the Purchaser providing for the sale of the Notes to the Purchaser.

Section 18. Official Statement. The Common Council hereby directs an Authorized Officer to approve the Preliminary Official Statement with respect to the Notes and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officer or other officers of the City in connection

with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 19. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 20. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

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

(SEAL)

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the 4th day of May, 2020.

Dated _____, 2020. _____, City Clerk

Approved _____, 2020. _____, Mayor

EXHIBIT A

Official Notice of Sale

To be provided by Wisconsin Public Finance Professionals, LLC and
incorporated into the Resolution.

(See Attached)

OFFICIAL NOTICE OF SALE

CITY OF SHEBOYGAN
SHEBOYGAN COUNTY, WISCONSIN

**\$4,985,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A ("NOTES")
(BANK QUALIFIED)**

Date and Time BIDS will be received in the office of the City's Municipal Advisor, Wisconsin Public Finance Professionals, LLC, ("WPFP"), 1025 South Moorland Road, Suite 504, Brookfield, Wisconsin 53005 until

11:00 A.M. (Central Time) on May 4, 2020

The bids should be directed to the City Clerk and plainly marked "Bid for Notes". Bids may be delivered to WPFP, at the address set forth above; telephoned to WPFP at (414) 434-9644; faxed to WPFP at (414) 226-2014; emailed to cawirth@wipublicfinance.com; or submitted electronically via PARITY. Bids must be submitted via one of these methods described herein and received prior to the time established for bid opening. The time as maintained by PARITY shall constitute the official time. Neither the City nor WPFP shall be responsible for any failure to receive a facsimile submission or email. A meeting of the Common Council will be held on said date for the purpose of taking action on such bids as may be received. Unless all bids are rejected, the award will be made to the bidder offering the lowest true interest cost ("TIC") to the City.

Terms The Notes will be dated May 18, 2020, issued as fully registered notes in denominations of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>December 1</u>	<u>Principal Amount*</u>	<u>December 1</u>	<u>Principal Amount*</u>
2021	\$330,000	2026	\$ 415,000
2022	325,000	2027	520,000
2023	320,000	2028	1,265,000
2024	330,000	2029	1,215,000
2025	265,000		

* The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

Interest is payable commencing on June 1, 2021 and semi-annually thereafter on December 1 and June 1 of each year calculated based on 360-day year of twelve 30-day months.

The Notes maturing on December 1, 2028 and December 1, 2029 shall be subject to redemption prior to maturity, at the option of the City, beginning December 1, 2027, or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Undertaking to Provide Continuing Disclosure In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City will undertake, pursuant to the Award Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. See the section entitled "Continuing Disclosure" in the Preliminary Official Statement for a description of the City's compliance with any undertaking previously entered into by it pursuant to the Rule.

Registration The Notes will be issued as fully-registered notes without coupons and, when issued, will be registered only in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. A single note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The City will make payments of principal and interest on the Notes on the dates set forth above, to Associated Trust Company, National Association, Green Bay, Wisconsin, as registrar and fiscal agent for the Notes in same-day funds. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to Beneficial Owners by DTC participants will be the responsibility of such participants and other nominees of Beneficial Owners all as required by DTC rules and procedures. No assurance can be given by the City that DTC, its participants and other nominees of Beneficial Owners will make prompt transfer of the payments as required by DTC rules and procedures. The City assumes no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to Beneficial Owners of the Notes.

The City shall enter into a Fiscal Agency Agreement with Associated Trust Company, National Association, Green Bay, Wisconsin, with respect to the Notes.

In the event that the securities depository relationship with DTC for the Notes is terminated and the Common Council does not appoint a successor depository, the Common Council will prepare, authenticate and deliver, at its expense, fully-registered certificate notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same interest rate or rates then outstanding to the Beneficial Owners of the Notes.

Security and Purpose The Notes are general obligations of the City. The full faith, credit and taxing powers are pledged to the payment of the principal and interest on the Notes as the same becomes due. Under current law, taxes may be levied without limitation as to rate or amount. Proceeds of the Notes will be used for public purposes, including paying the cost of various construction, improvement and acquisition projects set forth in the City's 2020 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repair and improvements, park improvements and upgrades, storm water projects, the acquisition of vehicles and other equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts.

Tax Exemption In the opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, interest on the Notes is excludible from gross income for federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

"Qualified Tax-Exempt" Status The Notes shall be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City Clerk or other officer of the City charged with the responsibility for issuing the Notes shall provide an appropriate certificate of the City as of the date of delivery and payment for the Notes confirming the "qualified" status.

Rating The City applied for a rating on the Notes from Moody's Investors Service. Outstanding general obligation securities of the City are rated Moody's "Aa2".

Bidding Specifications Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid but the difference between the highest and lowest rate bid shall not exceed Two Percent (2%). All Notes of the same maturity shall bear the same interest rate. No bid for less than \$4,985,000 nor more than \$5,034,850 plus accrued interest to the date of delivery will be considered. The Notes shall be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the City (the "successful bidder").

City expenses incurred in connection with the offering and delivery of the Notes, including fees of Bond Counsel, Rating Agency, Municipal Advisor and the printing and distribution of Official Statements, shall be the obligation of the successful bidder. The total of these fees is \$48,500.

The successful bidder shall be responsible for paying expenses for printing and assignment of CUSIP numbers.

The issuance of any policy of municipal bond insurance on the Notes is not permitted.

The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to the Thomson Financial Municipal Group's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Notes on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Office Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from i-Deal, 1359 Broadway, New York, New York 10018; (212) 849-5021.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described herein. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Bid Form.

Good Faith Deposit A good faith deposit in the amount of NINETY-NINE THOUSAND SEVEN HUNDRED DOLLARS (\$99,700), the ("Deposit") must be submitted in one of the following ways:

1. A bidder may submit a certified or cashier's check on a solvent bank or trust company, payable to City Treasurer, with the delivery of a bid to the office of WPPF, prior to the time established for bid opening; OR, alternatively,

2. Successful bidder shall submit a wire transfer to the City no later than 2 p.m. (Central Time) on the sale date. The City reserves the right to award the Notes to a successful bidder whose wire transfer is initiated, but not received by such time, provided that the federal wire reference number has been received by such time. In the event the Deposit is not received as provided herein, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit will be retained, and may be invested, by the City, pending delivery of the Notes, and will be applied to the purchase price of the Notes. No interest on the Deposit will accrue to the successful bidder. If the successful bidder fails to take up and pay for the Notes when tendered, the Deposit will be retained by the City as liquidated damages.

Delivery/Legality/CUSIP The Notes shall be delivered in typewritten form, one Note per maturity, to the Depository Trust Company, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, which is expected to occur on or about May 18, 2020. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its Good Faith Deposit shall be returned, but no interest shall be allowed thereon.

The successful bidder will be furnished the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin, Bond Counsel. A transcript of the proceedings relative to the issuance of the Notes (including a No-litigation Certificate and a Continuing Disclosure Certificate) shall be furnished to the successful bidder. CUSIP numbers will appear on the typewritten Notes. **The successful bidder will be responsible for the cost of obtaining CUSIP numbers.** Neither the failure to print such numbers on any Notes or any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Notes.

Establishment of Issue Price

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at Closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity, or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule"). Appropriate changes will be made to the Underwriter's Certificate to reflect that the requirements of the rule selected by the Underwriter have been met.

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the

hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the City, Bond Counsel and WPPF, the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold, or (ii) the 10% test has been satisfied as to the Notes of that maturity, provided that the winning bidder's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Notes of each maturity allotted to, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Notes of that maturity provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Notes, that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the City to the winning bidder.

Official Statement Upon the sale of the Notes, the City will publish a Final Official Statement in substantially the same form as the Preliminary Official Statement prepared within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide the successful bidder (i.e., the sole underwriter or the senior managing underwriter of the syndicate to which the Notes are awarded) an electronic copy of the Final Official Statement in PDF format.

The City shall designate the successful bidder as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter, if any. Each underwriter executing and delivering an Official Bid Form with respect to the Notes agrees thereby that if its bid is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Notes, if any, for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

The successful bidder agrees to supply to the City all necessary pricing information and any participating underwriter identification necessary to complete the Final Official Statement within 24 hours after the award of Notes.

Irregularities The Common Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's Municipal Advisor: Wisconsin Public Finance Professionals, LLC, 1025 South Moorland Road, Suite 504, Brookfield, Wisconsin 53005; Attention: Carol A. Wirth, President, (414) 434-9644, FAX (414) 226-2014, email cawirth@wipublicfinance.com, or the undersigned.

Marty Halverson
Finance Director/Treasurer
City of Sheboygan
828 Center Avenue
Sheboygan, WI 53081
920/459-3304
marty.halverson@sheboyganwi.gov

EXHIBIT B

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC and
incorporated into the Resolution.

(See Attached)

SALE RESULTS - BID TABULATION
CITY OF SHEBOYGAN, WISCONSIN
\$4,985,000 General Obligation Promissory Notes, Series 2020A

Sale Date: May 4, 2020

Delivery Date: May 18, 2020

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
Bankers Bank, Madison, WI	\$546,311.73	1.5708389
Piper Sandler & Co, Minneapolis, MN	\$542,824.55	1.5718910
FHN Financial Capital Markets, Memphis , TN	\$568,899.78	1.6368320
Robert W. Baird & Co., Inc., Milwaukee, WI	\$610,530.57	1.7576730
BOK Financial Securities, Inc., Dallas , TX	\$615,211.82	1.7712640

EXHIBIT C

Proposal

To be provided by Wisconsin Public Finance Professionals, LLC and
incorporated into the Resolution.

(See Attached)

DRAFT

BID FORM

City of Sheboygan, Common Council
Attn: Marty Halverson, Finance Director/Treasurer
c/o Wisconsin Public Finance Professionals, LLC, Municipal Advisor
1025 South Moorland Road, Suite 504
Brookfield, WI 53005
(414) 434-9644 – Office (414) 226-2014 – Fax
Email: cawirth@wipublicfinance.com

May 4, 2020

Re: \$4,985,000 General Obligation Promissory Notes Series 2020A ("Notes")
Dated May 18, 2020
(Bank Qualified)

For all or none of the above Notes, in accordance with the Official Notice of Sale, we will pay you ~~\$5,032,219.70~~ (no less than \$4,985,000 nor more than \$5,034,850) plus accrued interest to date of delivery, for Notes bearing interest rates and maturing on December 1, in the stated years as follows:

<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal*</u>	<u>Interest Rate</u>
12/01/21	\$330,000	<u>1.00</u> %	12/01/26	\$ 415,000	<u>1.25</u> %
12/01/22	325,000	<u>1.05</u> %	12/01/27	520,000	<u>1.30</u> %
12/01/23	320,000	<u>1.10</u> %	12/01/28	1,265,000	<u>2.00</u> %
12/01/24	330,000	<u>1.15</u> %	12/01/29	1,215,000	<u>2.00</u> %
12/01/25	265,000	<u>1.20</u> %			

* The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000. In the event of any such modification, the aggregate purchase price proposed will be adjusted to maintain the same gross spread relating to underwriter compensation per \$1,000.

The Notes maturing on December 1, 2028 and December 1, 2029 shall be subject to redemption prior to maturity, at the option of the City, beginning December 1, 2027, or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

This bid is a firm offer for the purchase of the Notes identified in the Official Notice of Sale, on the terms as set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. **By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal Notes.** (If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal Notes, the preceding sentence should be crossed out.)

If the competitive sale requirements are not met, to determine the issue price of the Notes, we elect to use the:

(select one) 10% test _____ / hold-the offering-price rule X

City expenses incurred in connection with the offering and delivery of the Notes, including fees of Bond Counsel, Rating Agency, Municipal Advisor and the printing and distribution of Official Statements, shall be the obligation of the successful bidder. The total of these fees is \$48,500.

The successful bidder shall be responsible for paying expenses for printing and assignment of CUSIP numbers.

Per the Official Notice of Sale, the winning bidder must submit a certified or cashier's check on a solvent bank or trust company, in the amount of \$99,700, payable to the City Treasurer, with the delivery of a bid to the office of WFPF, prior to the time established for bid opening; OR, alternatively, successful bidder shall submit a wire transfer to the City no later than 2 p.m. (Central Time) on the sale date.

The Notes are to be accompanied by the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the City, which will affect the validity or security of these Notes.

Respectively submitted,

BANKERS' BANK
Underwriter (Account Manager)

By Lucy P. L.

We, the duly authorized officials of the City of Sheboygan, do hereby accept and award the Notes pursuant to the foregoing offer, in legal meeting this 4th day of May, 2020 at _____ p.m. central time.

Mayor

City Clerk

NOT A PART OF BID			
Our calculation of total net interest cost using the above rates are:			
Gross Interest Cost	Less: Premium	Net Interest Cost	True Interest Rate
\$ 593,531.43	(\$ 47,219.70)	\$ 546,311.73	1.5708389 %

Account Members:

EXHIBIT D

Approving Certificate

(See Attached)

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CERTIFICATE APPROVING THE DETAILS OF
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A

The undersigned [_____] of the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby certifies that:

1. Resolution. On May 4, 2020, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$4,985,000 General Obligation Promissory Notes, Series 2020A of the City (the "Notes") after a public sale and delegating to me the authority to approve the purchase proposal for the Notes, and to determine the details for the Notes within the parameters established by the Resolution.

2. Proposal; Terms of the Notes. On the date hereof, the Notes were offered for public sale and the bids set forth on the Bid Tabulation attached hereto as Schedule I and incorporated herein by this reference were received and the institution listed first on the Bid Tabulation (the "Purchaser") offered to purchase the Notes in accordance with the terms set forth in the Proposal attached hereto as Schedule II and incorporated herein by this reference (the "Proposal"). Wisconsin Public Finance Professionals, LLC recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Notes shall be issued in the aggregate principal amount of \$_____, which is not more than the \$4,985,000 approved by the Resolution, and shall mature on December 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule III and incorporated herein by this reference. The amount of each annual principal due on the Notes is not more than \$100,000 more or less per than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
12-01-2021	\$ 330,000	\$ _____
12-01-2022	325,000	_____
12-01-2023	320,000	_____
12-01-2024	330,000	_____
12-01-2025	265,000	_____
12-01-2026	415,000	_____
12-01-2027	520,000	_____
12-01-2028	1,265,000	_____
12-01-2029	1,215,000	_____

The true interest cost on the Notes (computed taking the compensation paid directly to the Purchaser into account) is _____%, which is not in excess of 2.75%, as required by the Resolution.

3. Purchase Price of the Notes. The Notes shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$_____, plus accrued interest, if any, to the date of delivery of the Notes which is not less than 100% nor more than 101% of the principal amount of the Notes as required by the Resolution.

4. Payment of the Notes; Fiscal Agent. Pursuant to the Resolution, _____, _____, _____, is named fiscal agent for the Notes.

5. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same respectively falls due, the full faith, credit and taxing powers of the City have been irrevocably pledged and there has been levied on all of the taxable property in the City, pursuant to the Resolution, a direct, annual irrepealable tax in an amount and at the times sufficient for said purpose. Such tax shall be for the years and in the amounts set forth on the debt service schedule attached hereto as Schedule IV.

6. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, interest rates, purchase price and redemption provisions for the Notes and the direct annual irrepealable tax levy to repay the Notes, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on _____, 2020 pursuant to the authority delegated to me in the Resolution.

[]
[]

SCHEDULE I TO APPROVING CERTIFICATE

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

SCHEDULE II TO APPROVING CERTIFICATE

Proposal

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

SCHEDULE III TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Wisconsin Public Finance Professionals, LLC and incorporated into the Certificate.

(See Attached)

SCHEDULE IV TO APPROVING CERTIFICATE

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Wisconsin Public Finance Professionals, LLC and
incorporated into the Certificate.

(See Attached)

EXHIBIT BE

(Form of Note)

REGISTERED UNITED STATES OF AMERICA
STATE OF WISCONSIN DOLLARS
SHEBOYGAN COUNTY
NO. R- CITY OF SHEBOYGAN \$
GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2020A

MATURITY DATE: ORIGINAL DATE OF INTEREST RATE: CUSIP:
ISSUE:
December 1, _____, _____ %
_____ 20_____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2021 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by [_____, _____, _____] OR [the City Clerk or City Treasurer] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of \$4,985,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the public purpose of paying the cost of various construction, improvement and acquisition projects set forth in the City's 2020 Capital Improvement Plan, including building repairs and renovations, street and sidewalk repair and improvements, park improvements and upgrades, storm water projects, the acquisition of vehicles and other equipment and providing financial assistance to community development projects for the City's Tax Incremental Districts, as authorized by a resolution adopted on May 4, 2020 as supplemented by a Certificate Approving the Details of General Obligation Promissory Notes, Series 2020A. Said Resolution is recorded in the official minutes of the Common Council for said date.

The Notes maturing on December 1, 2028 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2027 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have

existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

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

This Note is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the City appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

[This Note shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.]

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

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

CITY OF SHEBOYGAN
SHEBOYGAN COUNTY, WISCONSIN

By: _____
Mayor

(SEAL)

By: _____
City Clerk

COPY

[Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue authorized by the within-mentioned Resolution of the City of Sheboygan, Sheboygan County, Wisconsin.

_____/_____

By _____
Authorized Signatory]

COPY

ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

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

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

(Authorized Officer)

III

3.6

Res. No. 6 - 20 - 21. By Alderpersons Donohue and Bohren.
April 21, 2020.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$3,100,000 TAXABLE WATER UTILITY REVENUE BOND ANTICIPATION NOTES, SERIES 2020B.

WHEREAS, the City of Sheboygan, Sheboygan County, Wisconsin (the "Municipality" or "City") owns and operates a municipal water utility which is operated for a public purpose as a public utility (within the meaning of Section 66.0621(1)(b) of the Wisconsin Statutes) by the Municipality (hereinafter, the Municipality's water utility shall be referred to as the "System");

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes (the "Act"), any municipality in the State of Wisconsin may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, controlling, conducting, operating or managing a public utility such as the System from the proceeds of bonds, which bonds are to be payable only from all monies received from any source by such utility (the "Revenues");

WHEREAS, the Municipality has heretofore issued and has outstanding Water System Revenue Bonds, Series 2004, dated March 10, 2004 (the "2004 Safe Drinking Water Bonds") pursuant to Resolution No. 262-03-04 adopted by the Governing Body of the Municipality (the "Common Council") on February 16, 2004 (the "2004 Safe Drinking Water Bond Resolution"); Water Utility Revenue Bonds, Series 2013, dated May 1, 2013 (the "2013 Bonds") pursuant to Resolution No. 167-12-13 adopted by the Governing Body on April 3, 2013 (the "2013 Resolution"); Water Utility Revenue Bonds, Series 2015, dated May 13, 2015 (the "2015 Safe Drinking Water Bonds"), pursuant to Resolution No. 193-14-15 adopted by the Governing Body of the Municipality on April 20, 2015 (the "2015 Safe Drinking Water Bond Resolution"); Water Utility Revenue Refunding Bonds, Series 2016, dated April 20, 2016 (the "2016 Bonds") pursuant to Resolution No. 155-15-16 adopted by the Governing Body on March 21, 2016 (the "2016 Resolution"); and Water Utility Revenue Bonds, Series 2018, dated March 1, 2018 (the "2018 Bonds") pursuant to Resolution No. 124-17-18 adopted by the Governing Body on February 5, 2018 (the "2018 Resolution") (the 2004 Safe Drinking Water Bonds, 2013 Bonds, 2015 Safe Drinking Water Bonds, 2016 Bonds and the 2018 Bonds shall be collectively referred to herein as the "Prior Bonds", and the 2004 Safe Drinking Water Bond Resolution, 2013 Resolution, 2015 Safe Drinking Water Bond Resolution, 2016 Resolution and 2018 Resolution shall be collectively referred to herein as the "Prior Resolutions");

WHEREAS, to adequately meet the needs of the Municipality and the residents thereof, certain improvements, additions and extensions to the System are necessary, including paying the cost of improvements, additions

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and extensions to the water utility, including engineering and design costs of a water intake project(the "Project");

WHEREAS, for the purpose of paying the cost of the Project, including paying interest and legal, financing and other professional fees, the Municipality intends by subsequent resolution (the "Bond Resolution") of the Common Council to authorize the issuance and sale of water utility revenue bonds pursuant to the provisions of the Act (the "Bonds"), payable solely from Revenues of the System deposited in a special redemption fund referred to herein;

WHEREAS, the Bonds have not yet been issued or sold;

WHEREAS, municipalities are authorized by the provisions of Section 66.0621(4)(L) of the Act to issue bond anticipation notes in anticipation of receiving the proceeds from the issuance and sale of revenue bonds;

WHEREAS, contracts are to be let for the Project and the financial officer of the Municipality has heretofore certified to the Common Council that proceeds of bond anticipation notes shall be required for the payment of said contracts, as well as other costs including paying interest and legal, financing and other professional fees;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the Municipality to authorize the issuance and sale of water utility revenue bond anticipation notes pursuant to Section 66.0621(4)(L) of the Act (the "Notes") in anticipation of the issuance and sale of the Bonds, to pay the cost of the Project;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue the Notes on a taxable rather than tax-exempt basis;

WHEREAS, other than the Prior Bonds, no bonds or obligations payable from the Revenues of the System are now outstanding;

WHEREAS, the Municipality has directed Wisconsin Public Finance Professionals, LLC ("WFPF") to take the steps necessary to sell the Notes to pay the costs of the Project;

WHEREAS, WFPF, in consultation with the officials of the Municipality, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Notes and indicating that the Notes would be offered for public sale on May 4, 2020;

WHEREAS, the City Clerk (in consultation with WFPF) caused notice of the sale of the Notes to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Notes for public sale on May 4, 2020;

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

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

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

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

Section 1A. Water Utility Revenue Bonds. The Municipality hereby declares its intention and covenants to authorize the issuance of the Bonds pursuant to the provisions of the Act in an amount sufficient to retire the Notes. The Bonds will be authorized by the Bond Resolution.

Section 2. Authorization and Sale of the Notes. In anticipation of the sale of the Bonds, for the purpose of paying the cost of the Project including paying interest and legal, financing and other professional fees in connection therewith, there shall be borrowed pursuant to Section 66.0621(4)(L) of the Act, the principal sum of THREE MILLION ONE HUNDRED THOUSAND DOLLARS (\$3,100,000) from the Purchaser in accordance with the terms of and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Notes for the sum set forth on the Proposal, plus accrued interest to the date of delivery, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the Municipality are authorized and directed to execute an acceptance of the Proposal on behalf of the Municipality. To evidence the obligation of the Municipality, the

Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Municipality, the Notes in the principal amount of THREE MILLION ONE HUNDRED THOUSAND DOLLARS (\$3,100,000). The good faith deposit of the Purchaser shall be applied in accordance with the Official Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned.

Section 3. Terms of the Notes. The Notes shall be designated "Taxable Water Utility Revenue Bond Anticipation Notes, Series 2020B"; shall be issued in the principal amount of \$3,100,000; shall be dated their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be initially numbered R-1; and shall bear interest at the rate of [%__] per annum and mature on May 1, 2024 as set forth on the schedule attached hereto as Exhibit D and incorporated herein by this reference (the "Schedule"). Interest is payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2020. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Section 4. Redemption Provisions. The Notes shall be subject to redemption prior to maturity, at the option of the Municipality, on November 1, 2021 or any date thereafter. The Notes shall be redeemable as a whole or in part, and if in part by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 6. Security. The Notes shall in no event be a general obligation of the Municipality nor a charge against its general credit or taxing power. Pursuant to Section 66.0621(4)(L)1. of the Act, the Revenues of the System are hereby pledged to the payment of the interest on the Notes, subject to the application of the Revenues in accordance with the terms of this Resolution and the Prior Resolutions. No lien is created upon the System or any other property of the Municipality as a result of the issuance of the Notes. The Notes shall be payable only from (a) any proceeds of the Notes set aside for payment of interest on the Notes as it becomes due; (b) proceeds to be derived from the issuance and sale of the Bonds, which proceeds are hereby declared to constitute a special trust fund, hereby created and established, to be held by the City Clerk and expended solely for the payment of the principal of and interest on the Notes; and, (c) Revenues of the System, on a basis junior and subordinate to the Prior Bonds and any bonds issued on a parity with the Prior Bonds (the "Parity Bonds").

As authorized and permitted by Section 66.0621(4)(L)6. of the Act, in the event such monies are not sufficient to pay the principal of and interest on the Notes when due, if necessary, the Municipality will pay such deficiency out of its annual general tax levy or other available funds of the Municipality; provided, however, that any such payment shall be subject to annual budgetary appropriations therefor and any applicable levy limits; and provided further, that neither this Resolution nor any such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation or any further payments.

Section 7. 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, first, the Prior Bonds and any Parity Bonds, and, second, the Notes, certain funds of the System which have been heretofore created and established by Resolution No. 100-05-06 adopted by the Common Council on August 15, 2005 (the "Bond Resolution"), continued by the Prior Resolutions, shall be continued and used solely for the purposes set forth in the Prior Resolutions. The Municipality shall apply the Revenues of the System to the respective funds and accounts described in the Prior Resolutions.

Section 8. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing services for public purposes, shall be charged against the Municipality and shall be paid by it 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, and out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. However, such payment out of the tax levy shall be subject to (a) any necessary approval of the Public Service Commission, or successors to its function (b) annual appropriations therefor and (c) any applicable levy limitations; but 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 services rendered to the Municipality and its inhabitants or make any subsequent payment over and above such reasonable cost and value. Such compensation for such service rendered to the Municipality shall, in the manner hereinabove provided, be paid into the funds described in the Prior Resolutions.

Section 9. Covenants of the Municipality. The Municipality hereby covenants with the owners of the Notes that:

(a) It shall issue the Bonds as soon as practicable in an amount sufficient to retire the Notes;

(b) It shall segregate the proceeds derived from the sale of the Bonds into a special trust fund herein created and established and shall permit such special trust fund to be used for no purpose other than the payment of the principal of and interest on the Notes until paid. After the payment of principal of and interest on the Notes in full, said special trust fund may be used for such other purposes as the Common Council may direct in accordance with law;

(c) It shall faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including lawfully establishing reasonable and sufficient rates for services rendered by the System and collecting, depositing, applying and segregating the Revenues of the System to the respective funds and accounts described in the Prior Resolutions;

(d) It will cause the Project to be constructed as expeditiously as reasonably possible;

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

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

(g) It will maintain the System in reasonably good condition, will operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that the amount of the Revenues of the System herein agreed to be set aside to provide for payment of the Prior Bonds, any Parity Bonds, and the Notes (exclusive of principal of the Notes to be paid from Proceeds of the Bonds) and the interest thereon as the same becomes due and payable will be sufficient for that purpose. It will make all good faith efforts so that the Net Revenues (as defined in the Bond Resolution) from the System for each year any Notes are outstanding will be one and one-quarter (1.25) times the amount required for payment of principal (exclusive of principal of the Notes to be paid from proceeds of the Bonds) and interest

on the Prior Bonds, any Parity Bonds, and the Notes for each corresponding year;

(h) It will prepare a budget not less than sixty (60) days prior to the end of each fiscal year and, in the event such budget (taking into account income, unencumbered surplus and expense) indicates that Net Revenues for each year will not exceed debt service for each corresponding year by the proportion stated above, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of earnings to debt service shall be accomplished as promptly as possible;

(i) The Notes are issued for the purposes for which the Municipality is authorized to issue the Bonds and for which the Bonds shall be issued;

(j) It will keep proper books and accounts relative to the System, separate from all other records of the Municipality and will cause such books and accounts to be audited annually not later than six months after the close of the fiscal year by a recognized independent firm of certified public accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants, shall include the following in accordance with generally accepted accounting practices: (1) a statement in detail of the income and expenditures of the System for the fiscal year; (2) a balance sheet as of the end of such fiscal year; (3) the accountants' comment regarding the manner in which the Municipality has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (4) the number and types of connections to the System at the end of the year; (5) a list of the insurance policies in force at the end of the fiscal year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (6) the volume of water used as the basis for computing the service charge. The owners of any of the Notes shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Municipality relating thereto; and

(k) It will carry for the benefit of the owners of the Notes insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenues of the System payable into the separate funds and accounts established by the Prior Resolutions. All money received for losses under any casualty insurance policies shall be used in repairing the damage or in replacing the property destroyed, but in the event that the Municipality shall find it inadvisable to repair such damage or replace such property, and that the operation of the System shall not have been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event shall not reduce the amount otherwise required to be paid into the Special Redemption Fund.

Section 10. Application of Proceeds; Improvement Fund. All accrued interest received from the sale of the Notes shall be deposited in the Special Redemption Fund. The remaining proceeds of the Notes shall be deposited in a special fund created hereby designated as "Water Utility Improvement Fund." Said Improvement Fund shall be adequately secured and shall be used solely for the purpose of paying the cost of the Project and the cost of interest and legal, financing and other professional fees. Any balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Notes.

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the Municipality by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof and delivered to the Purchaser upon payment to the Municipality of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the Municipality has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Municipality hereby authorizes the officers and agents of the Municipality to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the [City Treasurer] (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Notes. The Municipality shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such

payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

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

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

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

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Municipality agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Treasurer's office.

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

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

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the Municipality charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Municipality's Undertaking.

Section 18. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

Section 19. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the Municipality are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of proceeds of the Notes, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 20. Parity Bonds. Parity Bonds payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Notes; provided such Parity Bonds meet the conditions established in the Prior Resolutions.

Section 21. Conflicting Resolutions, Severability; Effective Date.

All prior resolutions (other than the Bond Resolution and the Prior Resolutions), rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In case of any conflict between the Bond Resolution, Prior Resolutions and this Resolution, the Bond Resolution and the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

By Eugene Nowlin

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of

_____, 20____.

Dated _____, 20____. _____, City Clerk

Approved _____, 20____. _____, Mayor

EXHIBIT A

Official Notice of Sale

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

EXHIBIT B

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

EXHIBIT C

Winning Bid

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

EXHIBIT D

Debt Service Schedule

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

EXHIBIT E

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
SHEBOYGAN COUNTY
NO. R-___ CITY OF SHEBOYGAN \$3,100,000
TAXABLE WATER UTILITY REVENUE
BOND ANTICIPATION NOTE, SERIES 2020B

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
May 1, 2024 May 18, 2020 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THREE MILLION ONE HUNDRED THOUSAND DOLLARS
(\$3,100,000)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "Municipality" or "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the Funds hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2020 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment day shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by the [City Treasurer] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

This Note is one of an issue of Notes aggregating the principal amount of \$3,100,000, all of which are of like tenor,

except as to denomination, issued by the Municipality pursuant to the provisions of Section 66.0621(4)(L) of the Act, for the public purpose of paying the cost of improvements, additions and extensions to the water utility, including paying the cost of improvements, additions and extensions to the water utility, including engineering and design costs of a water intake project, all as authorized by a resolution of the Common Council duly adopted by said governing body at a meeting held on May 4, 2020 (the "Resolution"). The Resolution is recorded in the official minutes of the Common Council for said date.

In the Resolution, the Common Council declared its intention and covenanted to issue Water Utility Revenue Bonds (the "Bonds") in an amount sufficient to retire the Notes. The Notes are issued to anticipate the sale of the Bonds.

The Notes are payable only from:

- 1) any proceeds of the Notes set aside for payment of interest on the Notes as they become due;
- 2) proceeds to be derived from the issuance and sale of the Bonds, which proceeds have been declared by the Municipality to constitute a special trust fund to be expended solely for the payment of the principal of and interest on the Notes; and
- 3) revenues of the Municipality's Water Utility deposited in the Special Redemption Fund (as provided for in the Resolution), on a basis junior and subordinate to the Municipality's Prior Bonds (as defined in the Resolution) and any bonds issued on a parity therewith.

THE NOTES DO NOT CONSTITUTE AN INDEBTEDNESS OF THE MUNICIPALITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION. NO LIEN IS CREATED UPON THE WATER UTILITY OR ANY OTHER PROPERTY OF THE MUNICIPALITY AS A RESULT OF THE ISSUANCE OF THE NOTES.

The Notes are subject to redemption prior to maturity, at the option of the Municipality, on November 1, 2021 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time. The Municipality has covenanted to issue and sell the Bonds, the sale of which this Note anticipates, as soon as practicable and to set aside the proceeds of the Bonds into a special trust fund for the payment of the principal of and interest on this Note.

This Note is transferable only upon the books of the Municipality kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the Municipality appoints another depository, upon surrender of the Note to the Fiscal Agent, and thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the Municipality for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and

Municipality may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

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

CITY OF SHEBOYGAN,
SHEBOYGAN COUNTY, WISCONSIN

By: _____
Mayor

(SEAL)

By: _____
City Clerk

OFFICE OF THE CITY CLERK
Sheboygan, Wisconsin
City Hall

I hereby certify that this is a true copy of a document
from the Common Council
proceedings of the City of Sheboygan.

City Clerk

Res. No. _____. By Alderperson _____. May 4, 2020.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$3,100,000
TAXABLE WATER UTILITY REVENUE BOND ANTICIPATION NOTES, SERIES 2020B

WHEREAS, the City of Sheboygan, Sheboygan County, Wisconsin (the "Municipality" or "City") owns and operates a municipal water utility which is operated for a public purpose as a public utility (within the meaning of Section 66.0621(1)(b) of the Wisconsin Statutes) by the Municipality (hereinafter, the Municipality's water utility shall be referred to as the "System");

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes (the "Act"), any municipality in the State of Wisconsin may, by action of its governing body, provide for purchasing, acquiring, constructing, extending, adding to, improving, controlling, conducting, operating or managing a public utility such as the System from the proceeds of bonds, which bonds are to be payable only from all monies received from any source by such utility (the "Revenues");

WHEREAS, the Municipality has heretofore issued and has outstanding Water System Revenue Bonds, Series 2004, dated March 10, 2004 (the "2004 Safe Drinking Water Bonds") pursuant to Resolution No. 262-03-04 adopted by the ~~Governing Body~~governing body of the Municipality (the "Common Council") on February 16, 2004 (the "2004 Safe Drinking Water Bond Resolution"); Water Utility Revenue Bonds, Series 2013, dated May 1, 2013 (the "2013 Bonds") pursuant to Resolution No. 167-12-13 adopted by the Governing Body on April 3, 2013 (the "2013 Resolution"); Water Utility Revenue Bonds, Series 2015, dated May 13, 2015 (the "2015 Safe Drinking Water Bonds"), pursuant to Resolution No. 193-14-15 adopted by the Governing Body of the Municipality on April 20, 2015 (the "2015 Safe Drinking Water Bond Resolution"); Water Utility Revenue Refunding Bonds, Series 2016, dated April 20, 2016 (the "2016 Bonds") pursuant to Resolution No. 155-15-16 adopted by the Governing Body on March 21, 2016 (the "2016 Resolution"); and Water Utility Revenue Bonds, Series 2018, dated March 1, 2018 (the "2018 Bonds") pursuant to Resolution

No. 124-17-18 adopted by the Governing Body on February 5, 2018 (the "2018 Resolution")~~);~~);

WHEREAS, the 2004 Safe Drinking Water Bonds, 2013 Bonds, 2015 Safe Drinking Water Bonds, 2016 Bonds and the 2018 Bonds shall be collectively referred to herein as the "Prior Bonds"~~), and~~);

WHEREAS, the 2004 Safe Drinking Water Bond Resolution, 2013 Resolution, 2015 Safe Drinking Water Bond Resolution, 2016 Resolution ~~and~~, 2018 Resolution and Resolution No. 100-05-06 adopted on August 15, 2005 shall be collectively referred to herein as the "Prior Resolutions"~~),~~);

WHEREAS, to adequately meet the needs of the Municipality and the residents thereof, certain improvements, additions and extensions to the System are necessary, including paying the cost of improvements, additions and extensions to the water utility, including engineering and design costs of a water intake project (the "Project");

WHEREAS, for the purpose of paying the cost of the Project, including paying interest and legal, financing and other professional fees, the Municipality intends by subsequent resolution (the "Bond Resolution") of the Common Council to authorize the issuance and sale of water utility revenue bonds pursuant to the provisions of the Act (the "Bonds"), payable solely from Revenues of the System deposited in a special redemption fund referred to herein;

WHEREAS, the Bonds have not yet been issued or sold;

WHEREAS, municipalities are authorized by the provisions of Section 66.0621(4)(L) of the Act to issue bond anticipation notes in anticipation of receiving the proceeds from the issuance and sale of revenue bonds;

WHEREAS, contracts are to be let for the Project and the financial officer of the Municipality has heretofore certified to the Common Council that proceeds of bond anticipation notes shall be required for the payment of said contracts, as well as other costs including paying interest and legal, financing and other professional fees;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the Municipality to authorize the issuance and sale of water utility revenue bond anticipation notes pursuant to Section 66.0621(4)(L) of the Act (the "Notes") in anticipation of the issuance and sale of the Bonds, to pay the cost of the Project;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue the Notes on a taxable rather than tax-exempt basis;

WHEREAS, other than the Prior Bonds, no bonds or obligations payable from the Revenues of the System are now outstanding;

WHEREAS, the Municipality has directed Wisconsin Public Finance Professionals, LLC ("WFPF") to take the steps necessary to sell the Notes to pay the costs of the Project;

WHEREAS, WFPF, in consultation with the officials of the Municipality, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Notes and indicating that the Notes would be offered for public sale on May 4, 2020;

WHEREAS, the City Clerk (in consultation with WFPF) caused notice of the sale of the Notes to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Notes for public sale on May 4, 2020;

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

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

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

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

Notice of Sale and any other offering materials are hereby ratified and approved in all respects.

Section 1A. Water Utility Revenue Bonds. The Municipality hereby declares its intention and covenants to authorize the issuance of the Bonds pursuant to the provisions of the Act in an amount sufficient to retire the Notes. The Bonds will be authorized by the Bond Resolution.

Section 2. Authorization and Sale of the Notes. In anticipation of the sale of the Bonds, for the purpose of paying the cost of the Project including paying interest and legal, financing and other professional fees in connection therewith, there shall be borrowed pursuant to Section 66.0621(4)(L) of the Act, the principal sum of THREE MILLION ONE HUNDRED THOUSAND DOLLARS (\$3,100,000) from the Purchaser in accordance with the terms of and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Notes for the sum set forth on the Proposal, plus accrued interest to the date of delivery, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the Municipality are authorized and directed to execute an acceptance of the Proposal on behalf of the Municipality. To evidence the obligation of the Municipality, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the Municipality, the Notes in the principal amount of THREE MILLION ONE HUNDRED THOUSAND DOLLARS (\$3,100,000). The good faith deposit of the Purchaser shall be applied in accordance with the Official Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned.

Section 3. Terms of the Notes. The Notes shall be designated "Taxable Water Utility Revenue Bond Anticipation Notes, Series 2020B"; shall be issued in the principal amount of \$3,100,000; shall be dated their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be initially numbered R-1; and shall bear interest at the rate of ~~1%~~ 1.25 per annum and mature on May 1, 2024 as set forth on the schedule attached hereto as Exhibit D and incorporated herein by this reference (the "Schedule"). Interest is payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2020. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Section 4. Redemption Provisions. The Notes shall be subject to redemption prior to maturity, at the option of the Municipality, on November 1, 2021 or any date thereafter. The Notes shall be redeemable as a whole or in part, and if in part by lot, at the

principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 6. Security. The Notes shall in no event be a general obligation of the Municipality nor a charge against its general credit or taxing power. Pursuant to Section 66.0621(4)(L)1. of the Act, the Revenues of the System are hereby pledged to the payment of the interest on the Notes, subject to the application of the Revenues in accordance with the terms of this Resolution and the Prior Resolutions. No lien is created upon the System or any other property of the Municipality as a result of the issuance of the Notes. The Notes shall be payable only from (a) any proceeds of the Notes set aside for payment of interest on the Notes as it becomes due; (b) proceeds to be derived from the issuance and sale of the Bonds, which proceeds are hereby declared to constitute a special trust fund, hereby created and established, to be held by the City Clerk and expended solely for the payment of the principal of and interest on the Notes; and, (c) Revenues of the System, on a basis junior and subordinate to the Prior Bonds and any bonds issued on a parity with the Prior Bonds (the "Parity Bonds").

At no time shall any amounts in the Reserve Account provided for in the Prior Resolutions be pledged to or used for the payment of the Notes.

As authorized and permitted by Section 66.0621(4)(L)6. of the Act, in the event such monies are not sufficient to pay the principal of and interest on the Notes when due, if necessary, the Municipality will pay such deficiency out of its annual general tax levy or other available funds of the Municipality; provided, however, that any such payment shall be subject to annual budgetary appropriations therefor and any applicable levy limits; and provided further, that neither this Resolution nor any such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation or any further payments.

Section 7. 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, first, the Prior Bonds and any Parity Bonds, and, second, the Notes, certain funds of the System which have been heretofore created ~~and, established by Resolution No. 100-05-06 adopted by the Common Council on August 15, 2005 (the "Bond~~

Resolution"), and continued by the Prior Resolutions, shall be further continued by this Resolution and used solely for the purposes set forth in the Prior Resolutions. The Municipality shall apply the Revenues of the System to the ~~respective funds and accounts described~~ "Revenue Fund," the "Special Redemption Fund," which Special Redemption Fund includes the "Reserve Account," the "Depreciation Fund" and the "Surplus Fund" all as provided for in the Prior Resolutions.

Section 8. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing water services for public purposes, shall be charged against the Municipality and shall be paid by it in ~~monthly~~ quarterly installments as the service accrues, out of the current Revenues of the Municipality collected or in the process of collection, exclusive of the Revenues, and out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the Municipality in each year shall be in an amount which, together with other Revenues of the System, will produce in each year "Net Revenues" equivalent to not less than the annual principal and interest requirements on the Prior Bonds, any Parity Bonds then outstanding and the Notes (exclusive of principal of the Notes to be paid from proceeds of the Bonds) times the greater of (i) 110%, or (ii) the highest debt service coverage ratio required with respect to any of the Prior Bonds or Parity Bonds then outstanding. "Net Revenues" means the all Revenues of the System less Current Expenses as defined further by the Prior Resolutions. However, such payment out of the tax levy shall be subject to (a) any necessary approval of the Public Service Commission, or successors to its function (b) annual appropriations therefor and (c) any applicable levy limitations; but 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 services rendered to the Municipality and its inhabitants or make any subsequent payment over and above such reasonable cost and value. Such compensation for such service rendered to the Municipality shall, in the manner hereinabove provided, be paid into the ~~funds described in the Prior Resolutions~~ Revenue Fund referred to in Section 7.

Section 9. Covenants of the Municipality. The Municipality hereby covenants with the owners of the Notes that:

(a) It shall issue the Bonds as soon as practicable in an amount sufficient to retire the Notes;

(b) It shall segregate the proceeds derived from the sale of the Bonds into a special trust fund herein created and established and shall permit such special trust fund to be used for no purpose other than the payment of the principal of and interest on the Notes until paid. After the payment of principal of and interest on the Notes in full, said special trust fund may be used for such other purposes as the Common Council may direct in accordance with law;

(c) It shall faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including lawfully establishing reasonable and sufficient rates for services rendered by the System and collecting, depositing, applying and segregating the Revenues of the System to the respective funds and accounts described in Section 7 and the Prior Resolutions;

(d) It will cause the Project to be constructed as expeditiously as reasonably possible;

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

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

~~(g)~~ (f) It will maintain the System in reasonably good condition, will operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that the amount of the Revenues of the System herein agreed to be set aside to provide for payment of the Prior Bonds, any Parity Bonds, and the Notes (exclusive of principal of the Notes to be paid from ~~Proceeds~~ proceeds of the Bonds) and the interest thereon as the same becomes due and payable will be sufficient for that purpose. It will make all good faith efforts so that the Net Revenues ~~(as defined in the Bond Resolution)~~ from the System for each year any Notes are

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outstanding will be one and one-~~quarter~~^{fifth}, (1.~~25~~²⁰) times the amount required for payment of principal (exclusive of principal of the Notes to be paid from proceeds of the Bonds) and interest on the Prior Bonds, any Parity Bonds, and the Notes for each corresponding year;

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(~~h~~) It will prepare a budget not less than sixty (60) days prior to the end of each fiscal year and, in the event such budget ~~(taking into account income, unencumbered surplus and expense)~~ indicates that ~~Net Revenues~~^{earnings} for each year will not exceed debt service for each corresponding year by the proportion stated above, the Municipality will take any and all steps permitted by law to increase rates so that the aforementioned proportion of earnings to debt service shall be accomplished as promptly as possible;

(~~h~~) The Notes are issued for ~~the purposes~~^{a purpose} for which the Municipality is authorized to issue the Bonds and for which the Bonds shall be issued;

(~~i~~) It will keep proper books and accounts relative to the System, separate from all other records of the Municipality and will cause such books and accounts to be audited annually not later than six months after the close of the fiscal year by a recognized independent firm of certified public accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants, shall include the following in accordance with generally accepted accounting practices: (1) a statement in detail of the income and expenditures of the System for the fiscal year; (2) a statement of the Net Revenues of the System for such fiscal year; (3) a balance sheet as of the end of such fiscal year; (~~3~~) the accountants' comment regarding the manner in which the Municipality has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (~~4~~) the number and types of connections to the System at the end of the year; (~~5~~) a list of the insurance policies in force at the end of the fiscal year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (~~6~~) the volume of water used as the basis for computing the service charge. ~~The owners of any of the Notes shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Municipality relating thereto;~~ and

(~~j~~) It will carry for the benefit of the owners of the Notes insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of a similar ~~systems.~~ ~~All money received for loss of use and occupancy shall be considered Revenues of the~~ Water System ~~payable into the separate funds and accounts~~

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~~established by the Prior Resolutions.~~ All money received for losses under any ~~casualty insurance~~ such policies, except public liability, shall be used in repairing the damage or in replacing ~~the~~ property destroyed, but in the event that the ~~Municipality~~ Common Council shall find it inadvisable to repair such damage or replace such property, and that the operation of the System shall not have been impaired thereby, such money shall be deposited in the ~~Special Redemption Revenue~~ Fund, but in that event shall not reduce the amount otherwise required to be paid into the ~~Special Redemption Revenue~~ Fund.

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Section 10. Application of Proceeds; Improvement Fund. All accrued interest received from the sale of the Notes shall be deposited in the Special Redemption Fund. The remaining proceeds of the Notes shall be deposited in a special fund created hereby designated as "Water Utility Improvement Fund." Said Improvement Fund shall be adequately secured and shall be used solely for the purpose of paying the cost of the Project and the cost of interest and legal, financing and other professional fees. Any balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Notes.

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the Municipality by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof and delivered to the Purchaser upon payment to the Municipality of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the Municipality has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The Municipality hereby authorizes the officers and agents of the Municipality to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal

agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. ~~The principal of and interest on the Notes shall be paid by the [City Treasurer] (the "Fiscal Agent").~~ The principal of and interest on the Notes shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Notes.

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

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

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

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the

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Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the Municipality at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Municipality agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Treasurer's office.

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

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

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the Municipality charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the Municipality's Undertaking.

Section 18. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

Section 19. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the Municipality are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of proceeds of the Notes, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 20. Parity Bonds. Parity Bonds payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Notes; provided such Parity Bonds meet the conditions established in the Prior Resolutions.

Section 21. Conflicting Resolutions, Severability; Effective Date. All prior resolutions (other than ~~the Bond Resolution and~~ the Prior Resolutions), rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In case of any conflict between the ~~Bond Resolution,~~ Prior Resolutions and this Resolution, ~~the Bond Resolution and~~ the Prior Resolutions shall control as long as any of the respective Prior Bonds are outstanding. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

(SEAL)

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the 4th day of May, 2020.

Dated _____, 2020. _____, City Clerk

Approved _____, 2020. _____, Mayor

EXHIBIT A

Official Notice of Sale

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

OFFICIAL NOTICE OF SALE

CITY OF SHEBOYGAN
SHEBOYGAN COUNTY, WISCONSIN

\$3,100,000 TAXABLE WATER UTILITY REVENUE
BOND ANTICIPATION NOTE, SERIES 2020B ("BANS")

Date and Time BIDS will be received in the office of the City's Municipal Advisor, Wisconsin Public Finance Professionals, LLC, ("WPFP"), 1025 South Moorland Road, Suite 504, Brookfield, Wisconsin 53005 until

10:30 A.M. (Central Time) on May 4, 2020

The bids should be directed to the City Clerk and plainly marked "Bid for BANS". Bids may be delivered to WPFP, at the address set forth above; telephoned to WPFP at (414) 434-9644; faxed to WPFP at (414) 226-2014; emailed to cawirth@wipublicfinance.com; or submitted electronically via PARITY. Bids must be submitted via one of these methods described herein and received prior to the time established for bid opening. The time as maintained by PARITY shall constitute the official time. Neither the City nor WPFP shall be responsible for any failure to receive a facsimile or email submission. A meeting of the Common Council will be held on said date for the purpose of taking action on such bids as may be received. Unless all bids are rejected, the award will be made to the bidder offering the lowest true interest cost ("TIC") to the City.

Terms The BANS will be dated May 18, 2020, issued as fully registered notes in denominations of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>May 1</u>	<u>Principal Amount</u>
2024	\$3,100,000

Interest is payable commencing on November 1, 2020 and semi-annually thereafter on May 1 and November 1 of each year, calculated based on a 360-day year of twelve 30-day months.

The BANS shall be subject to redemption prior to maturity, at the option of the City, beginning November 1, 2021 or on any date thereafter, as a whole or in part by lot, at par plus accrued interest to the date of redemption.

Undertaking to Provide Continuing Disclosure In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City will undertake, pursuant to the BAN Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. See the section entitled "Continuing Disclosure" in the Preliminary Official Statement for a description of the City's compliance with any undertaking previously entered into by it pursuant to the Rule.

Registration The BANs will be issued as fully registered notes without coupons and, when issued, will be registered only in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the BANs. A single note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the BANs purchased. The City will make payments of principal and interest on the BANs on the dates set forth above, to Associated Trust Company, National Association, Green Bay, Wisconsin, as registrar and fiscal agent for the BANs in same-day funds. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to Beneficial Owners by DTC participants will be the responsibility of such participants and other nominees of Beneficial Owners all as required by DTC rules and procedures. No assurance can be given by the City that DTC, its participants and other nominees of Beneficial Owners will make prompt transfer of the payments as required by DTC rules and procedures. The City assumes no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to Beneficial Owners of the BANs.

The City shall enter into a Fiscal Agency Agreement with Associated Trust Company, National Association, Green Bay, Wisconsin, with respect to the BANs.

In the event that the securities depository relationship with DTC for the BANs is terminated and the Common Council does not appoint a successor depository, the Common Council will prepare, authenticate and deliver, at its expense, fully registered certificate bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of BANs of the same interest rate or rates then outstanding to the Beneficial Owners of the BANs.

Security and Purpose The BANs are not a general obligation of the City and no lien is being created upon the Water System or any other property of the City as a result of the issuance thereof. The BANs are payable only from (a) any proceeds from the issuance and sale of the BANs set aside for payment of interest on the BANs; (b) proceeds derived from the issuance and sale of water revenue bonds, covenanted to be issued in the BAN Resolution, which proceeds constitute a special trust fund to be held by the City and expended solely for the payment of principal of and interest on the BANs; and (c) revenues of the Water System deposited in the Special Redemption Fund (as provided for in the BAN Resolution) on a basis junior and subordinate to the Prior Bonds (defined in the Preliminary Official Statement) and any bonds issued on a parity with the Prior Bonds (the "Parity Bonds"). The City may appropriate funds out of its general tax levy for such payments, but such payment or authority shall not constitute an obligation of the City to make such appropriation or any further payments. Proceeds of the BANs will be used for public purposes, including paying the cost of improvements, additions and extensions to the water utility, including engineering and design costs of a water intake project.

Tax Status Interest on the BANs is included in gross income for federal income tax purposes. Interest on the BANs is not exempt from present State of Wisconsin income or franchise taxes.

Rating The City has applied for a rating on the BANs from Moody's Investors Service. Outstanding water utility revenue bonds are rated "Aa2" by Moody's.

Bidding Specifications Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All BANs of the same maturity shall bear the same interest rate. No bid for less than \$3,084,500 nor more than \$3,100,000 plus accrued interest to the date of delivery will be considered. The BANs shall be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the City (the "successful bidder").

The successful bidder shall be responsible for paying expenses for printing and assignment of CUSIP numbers.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to the Thomson Financial Municipal Group's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the BANs on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Office Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from i-Deal, 1359 Broadway, New York, New York 10018; (212) 849-5021.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described herein. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Bid Form.

Good Faith Deposit A good faith deposit in the amount of SIXTY-TWO THOUSAND DOLLARS (\$62,000), the ("Deposit") must be submitted in one of the following ways:

1. A bidder may submit a certified or cashier's check on a solvent bank or trust company, payable to City Treasurer, with the delivery of a bid to the office of WFPF, prior to the time established for bid opening; OR, alternatively,
2. Successful bidder shall submit a wire transfer to the City no later than 2 p.m. (Central Time) on the sale date. The City reserves the right to award the BANs to a successful bidder whose wire transfer is initiated, but not received by such time, provided that the federal wire reference number has been received by such time. In the event the Deposit is not received as provided herein, the City may award the BANs to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit will be retained, and may be invested, by the City, pending delivery of the BANs, and will be applied to the purchase price of the BANs. No interest on the Deposit will accrue to the successful bidder. If the successful bidder fails to take up and pay for the BANs when tendered, the Deposit will be retained by the City as liquidated damages.

Delivery/Legality/CUSIP The BANs shall be delivered in typewritten form, one note per maturity, to the Depository Trust Company, securities depository of the BANs for the establishment of book-entry accounts at the direction of the successful bidder, which is expected to occur on or about May 18, 2020. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the BANs, the successful bidder may, prior to tender of the BANs, at its option, be relieved of its obligation under the contract to purchase the BANs and its Good Faith Deposit shall be returned, but no interest shall be allowed thereon.

The successful bidder will be furnished the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. A transcript of the proceedings relative to the issuance of the BANs (including a No-litigation Certificate and a Continuing Disclosure Certificate) shall be furnished to the successful bidder. CUSIP numbers will appear on the typewritten BANs. **The successful bidder will be responsible for paying expenses for printing and assignment of CUSIP numbers.** Neither the failure to print such numbers on any BANs or any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the BANs.

Official Statement: Upon the sale of the BANs, the City will publish a Final Official Statement in substantially the same form as the Preliminary Official Statement prepared within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide the successful bidder (i.e., the sole underwriter or the senior managing underwriter of the syndicate to which the BANs are awarded) an electronic copy of the Final Official Statement in PDF format.

The City shall designate the successful bidder as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter, if any. Each underwriter executing and delivering an Official Bid Form with respect to the BANs agrees thereby that if its bid is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the BANs, if any, for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

The successful bidder agrees to supply to the City all necessary pricing information and any participating underwriter identification necessary to complete the Final Official Statement within 24 hours after the award of BANs.

Irregularities The Common Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's Municipal Advisor: Wisconsin Public Finance Professionals, LLC, 1025 South Moorland Road, Suite 504, Brookfield, Wisconsin 53005; Attention: Carol A. Wirth, President, (414) 434-9644, FAX (414) 226-2014, email cawirth@vipublicfinance.com, or the undersigned.

Marty Halverson
Finance Director/Treasurer
City of Sheboygan
828 Center Avenue
Sheboygan, WI 53081
920/459-3304
marty.halverson@sheboyganwi.gov

EXHIBIT B

Bid Tabulation

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

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SALE RESULTS - BID TABULATION

CITY OF SHEBOYGAN, WISCONSIN

\$3,100,000 Taxable Water Revenue Bond Anticipation Notes, Series 2020B

Sale Date: May 4, 2020

Delivery Date: May 18, 2020

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
Piper Sandler & Co, New York , NY	\$162,160.14	1.325594
BOK Financial Securities, Inc., Dallas , TX	\$196,886.17	1.610691
Bankers Bank, Madison, WI	\$224,513.19	1.835700
Northland Securities, Inc., Minneapolis , MN	\$234,999.81	1.920831

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EXHIBIT C

Winning Bid

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

BID FORM

City of Sheboygan, Common Council
Attn: Marty Halverson, Finance Director/Treasurer
c/o Wisconsin Public Finance Professionals, LLC, Municipal Advisor
1025 South Moorland Road, Suite 504
Brookfield, WI 53005
(414) 434-9644 – Office (414) 226-2014 – Fax
Email: cawirth@wipublicfinance.com

May 4, 2020

**Re: \$3,100,000 Taxable Water Utility Revenue Bond Anticipation
Notes, Series 2020B ("BANs"), Dated May 18, 2020**

For all or none of the above BANs, in accordance with the Official Notice of Sale, we will pay you \$3,091,010.00 (no less than \$3,084,500 nor more than \$3,100,000) plus accrued interest to date of delivery, for BANs bearing the interest rate and maturing as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>
May 1, 2024	3,100,000	1.25%

The BANs shall be subject to redemption prior to maturity, at the option of the City, beginning November 1, 2021 or on any date thereafter, as a whole or in part by lot, at par plus accrued interest to the date of redemption.

This bid is a firm offer for the purchase of the BANs identified in the Official Notice of Sale, on the terms as set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale.

The successful bidder shall be responsible for paying expenses for printing and assignment of CUSIP number.

Per the Official Notice of Sale, the winning bidder must submit a certified or cashier's check on a solvent bank or trust company, in the amount of **\$62,000**, payable to the City Treasurer, with the delivery of a bid to the office of WPPF, prior to the time established for bid opening; OR, alternatively, successful bidder shall submit a wire transfer to the City no later than 2 p.m. (Central Time) on the sale date.

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The BANS are to be accompanied by the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, and a certificate evidencing that no litigation is pending against the City, which will affect the validity or security of these BANS.

Respectively submitted,

Piper Sandler & Co
Underwriter (Account Manager)

By Christopher DiCarbo

We, the duly authorized officials of the City of Sheboygan, do hereby accept and award the BANS pursuant to the foregoing offer, in legal meeting this 4th day of May, 2020 at _____ p.m. central time.

Mayor

City Clerk

NOT A PART OF BID			
Our calculation of total net interest cost using the above rates are:			
<u>Gross Interest Cost</u>	<u>Plus: Discount</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
\$153,170.14	\$8,990.00	\$162,160.14	1.325594%

Account Members:

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EXHIBIT D

Debt Service Schedule

To be provided by Wisconsin Public Finance Professionals, LLC
and incorporated into the Resolution.

(See Attached)

City of Sheboygan, WI

\$3,100,000 Taxable Water Utility Revenue BAN, 2020B

Final Pricing

City of Sheboygan

\$3,100,000 Taxable Water Utility Revenue BAN Series 2020B Final Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/18/2020	-	-	-	-	-
11/01/2020	-	-	17,545.14	17,545.14	17,545.14
05/01/2021	-	-	19,375.00	19,375.00	-
11/01/2021	-	-	19,375.00	19,375.00	38,750.00
05/01/2022	-	-	19,375.00	19,375.00	-
11/01/2022	-	-	19,375.00	19,375.00	38,750.00
05/01/2023	-	-	19,375.00	19,375.00	-
11/01/2023	-	-	19,375.00	19,375.00	38,750.00
05/01/2024	3,100,000.00	1.250%	19,375.00	3,119,375.00	-
11/01/2024	-	-	-	-	3,119,375.00
Total	\$3,100,000.00	-	\$153,170.14	\$3,253,170.14	-

Yield Statistics

Bond Year Dollars	\$12,253.61
Average Life	3.953 Years
Average Coupon	1.250000%
Net Interest Cost (NIC)	1.3233661%
True Interest Cost (TIC)	1.3255936%
Bond Yield for Arbitrage Purposes	1.2128810%
All Inclusive Cost (AIC)	1.6148905%

IRS Form 8038

Net Interest Cost	1.2120896%
Weighted Average Maturity	3.953 Years

BAN Piper Final | SINGLE PURPOSE | 5/4/2020 | 11:37 AM

Wisconsin Public Finance Professionals, LLC

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EXHIBIT E

(Form of Note)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
SHEBOYGAN COUNTY
NO. R-__ CITY OF SHEBOYGAN \$3,100,000
TAXABLE WATER UTILITY REVENUE
BOND ANTICIPATION NOTE, SERIES 2020B

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
May 1, 2024 May 18, 2020 1.25% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THREE MILLION ONE HUNDRED THOUSAND DOLLARS
(\$3,100,000)

FOR VALUE RECEIVED, the City of Sheboygan, Sheboygan County, Wisconsin (the "Municipality" or "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the Funds hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2020 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment day shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by ~~the [City Treasurer]~~ Associated Trust Company, National Association (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

This Note is one of an issue of Notes aggregating the principal amount of \$3,100,000, all of which are of like tenor, except as to denomination, issued by the Municipality pursuant to the provisions of Section 66.0621(4)(L) of the Act, for the public purpose of paying the cost of improvements, additions and extensions to the water utility, including paying the cost of improvements, additions and extensions to the water utility, including engineering and design costs of a water intake project, all as authorized by a resolution of the Common Council duly adopted by said governing body at a meeting held on May 4, 2020 (the "Resolution"). The Resolution is recorded in the official minutes of the Common Council for said date.

In the Resolution, the Common Council declared its intention and covenanted to issue Water Utility Revenue Bonds (the "Bonds") in an amount sufficient to retire the Notes. The Notes are issued to anticipate the sale of the Bonds.

The Notes are payable only from:

- 1) any proceeds of the Notes set aside for payment of interest on the Notes as they become due;
- 2) proceeds to be derived from the issuance and sale of the Bonds, which proceeds have been declared by the Municipality to constitute a special trust fund to be expended solely for the payment of the principal of and interest on the Notes; and
- 3) revenues of the Municipality's Water Utility deposited in the Special Redemption Fund (as provided for in the Resolution), on a basis junior and subordinate to the Municipality's Prior Bonds (as defined in the Resolution) and any bonds issued on a parity therewith.

THE NOTES DO NOT CONSTITUTE AN INDEBTEDNESS OF THE MUNICIPALITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION. NO LIEN IS CREATED UPON THE WATER UTILITY OR ANY OTHER PROPERTY OF THE MUNICIPALITY AS A RESULT OF THE ISSUANCE OF THE NOTES.

The Notes are subject to redemption prior to maturity, at the option of the Municipality, on November 1, 2021 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

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In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Notes called for redemption, CUSIP numbers, and the date of redemption. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time. The Municipality has covenanted to issue and sell the Bonds, the sale of which this Note anticipates, as soon as practicable and to set aside the proceeds of the Bonds into a special trust fund for the payment of the principal of and interest on this Note.

This Note is transferable only upon the books of the Municipality kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the Municipality appoints another depository, upon surrender of the Note to the Fiscal Agent, and thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the Municipality for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and

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Municipality may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

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

CITY OF SHEBOYGAN,
SHEBOYGAN COUNTY, WISCONSIN

By: _____
Mayor

(SEAL)

By: _____
City Clerk

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ASSIGNMENT

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

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

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

(Authorized Officer)

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