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AT 9:30 A.M. IN VOL
564 OF RECDs, PAGE 586.

*Village of Dorchester
Dorchester, Wis.
54425*

CLARK CO, WIS BY
Ernest Oberle PD 34.00
Ch. 24540

RESOLUTION NO. 191

RESOLUTION AUTHORIZING THE BORROWING OF \$484,000
AND PROVIDING FOR THE ISSUANCE AND SALE OF
WATER AND SEWER SYSTEM
REVENUE BOND ANTICIPATION NOTES THEREFOR

WHEREAS, the Village of Dorchester, Clark and Marathon Counties, Wisconsin (the "Municipality") owns and operates a water system and a sewer system which are operated for public purposes as separate public utilities by the Municipality and which are hereby combined for the purposes of this financing (hereinafter, the Municipality's Water System and Sewer System shall be referred to collectively as the "System");

WHEREAS, under the provisions of Chapter 66, Wisconsin Statutes, 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 and refunding obligations issued for such purposes, from the proceeds of revenue bonds, which bonds are to be payable only from the revenues received from any source by such utility;

WHEREAS, additional improvements to the System are needed, to wit: constructing, improving and extending water and sewer mains (the "Project");

WHEREAS, the Municipality has the following issues outstanding, portions of which are payable from the income and revenues of the System: \$420,000 General Obligation Promissory Note, dated October 7, 1995 (the "1995 Note") and \$250,000 General Obligation Promissory Note, dated July 5, 1996 (the "1996 Note");

WHEREAS, a portion of the proceeds on the Notes issued pursuant to this Resolution will be used to refund portions of the 1995 Note and the 1996 Note issued to finance improvements to the System (the "Refunding");

WHEREAS, for the purpose of paying the cost of the Project and the Refunding, the Municipality has authorized the issuance and sale of Water and Sewer System Revenue Bonds (the "Revenue Bonds"), payable solely from revenues deposited in a special redemption fund, by a resolution adopted on April 16, 1997, entitled: "Resolution Providing for the Issuance and Sale of Approximately \$484,000 Water and Sewer System Revenue Bonds and Providing for the Payment of Said Bonds and Other Details and Covenants with Respect Thereto" (the "Bond Resolution");

WHEREAS, the Revenue Bonds have not yet been issued or sold and will be issued and sold only after completion of the Project;

WHEREAS, contracts are to be let for the Project and the financial officer of the Municipality has heretofore certified to the Village Board that proceeds of bond anticipation notes shall be required for the payment of said contracts, as well as other costs including paying a portion of the interest cost (collectively, the "Project");

WHEREAS, Section 66.066(2)(m), Wisconsin Statutes, permits bond anticipation notes to be issued for purposes for which the Municipality has authority to issue revenue bonds;

WHEREAS, it is the finding of the Village Board that it is necessary, desirable and in the best interest of the Municipality to provide for the issuance and sale of bond anticipation notes pursuant to Section 66.066(2)(m), Wisconsin Statutes, in anticipation of the issuance and sale of the Revenue Bonds and to apply the proceeds of such notes to pay the cost of the Refunding and to pay the cost of the Project. Such Notes are authorized by Section 66.066(2)(m) of the Wisconsin Statutes and Section 16 of the Bond Resolution; and

WHEREAS, no other bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Municipality that:

Section 1. Authorization of the Notes. For the purpose of paying the cost of the Project and the Refunding, the Municipality shall issue negotiable registered water and sewer system revenue bond anticipation notes (the "Notes") in the aggregate principal amount of FOUR HUNDRED EIGHTY-FOUR THOUSAND DOLLARS (\$484,000) to Dorchester State Bank, Dorchester, Wisconsin (the "Purchaser").

Section 2. Sale of the Notes. The Notes shall be sold to the Purchaser for the sum of FOUR HUNDRED EIGHTY-FOUR THOUSAND DOLLARS (\$484,000), plus accrued interest to the date of delivery.

Section 3. Terms of the Notes. The Notes shall be designated "Water and Sewer System Revenue Bond Anticipation Notes"; shall be dated April 30, 1997; shall be in the denomination of \$1,000 or any integral multiple thereof; shall be numbered 1 and upward; shall bear interest at the rate of 5.85% per annum; and shall mature on April 30, 2002. Interest is payable annually on April 30 of each year commencing on April 30, 1998.

Section 4. Redemption Provisions. At the option of the Municipality, the Notes shall be subject to redemption prior to maturity on any interest payment date. The Notes shall be redeemable as a whole or 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 in substantially the form attached hereto as Exhibit A and incorporated herein by this reference with such insertions or revisions (consistent with this Resolution and Chapter 66, Wisconsin Statutes) deemed necessary to effectuate the delivery of the Notes in exchange for the purchase price.

Section 6. Payment for the Notes. The principal of and interest on the Notes shall be paid by the Village Clerk/Treasurer of the Municipality.

Section 6A. Persons Treated as Owners; Transfer of Notes. The Municipality shall keep books for the registration and for the transfer of the Notes. 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 Village Clerk/Treasurer, 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 President and Village Clerk/Treasurer 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 Village Clerk/Treasurer shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Village Clerk/Treasurer shall cancel any Note surrendered for transfer.

The Municipality shall cooperate in any such transfer, and the President and Village Clerk/Treasurer are authorized to execute any new Note or Notes necessary to effect any such transfer.

The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Notes. 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 corresponding record date.

Section 7. Security. The Notes shall in no event be a general obligation of the Municipality and no lien shall be created upon the System as a result of the issuance thereof. The Notes shall be payable only from (a) any proceeds from the issuance and sale of the Notes set aside for payment of interest on the Notes; (b) the proceeds derived from the issuance and sale of the Revenue Bonds, which proceeds are hereby declared to constitute a special trust fund to be held by the Municipality and expended solely for the payment of principal of and interest on the Notes and the remaining Project and Refunding costs, if any; and, (c) a pledge of a sufficient amount of the income and revenues received from the operation of the System and deposited in the Special Redemption Fund created pursuant to the Bond Resolution.

The Municipality agrees that, as permitted by Section 66.066(2)(m)6 of the Wisconsin Statutes, in the event such monies are not sufficient to pay the principal of and interest on the Notes as the same becomes due, the Municipality will appropriate funds to pay any deficiency out of its annual general tax levy or other available funds for such payments. However, any such payments shall be subject to annual budgetary appropriations therefor and provided further that neither such authority nor any such payment shall constitute an obligation of the Municipality to make such appropriation or any further payments.

Section 8. Covenants of the Municipality. The Municipality hereby covenants with the holders of the Notes that:

(a) It shall issue the Revenue Bonds as soon as practicable;

(b) It shall segregate the proceeds derived from the sale of the Revenue Bonds into the special trust fund created pursuant to the Bond Resolution and shall permit the special trust fund to be used for no purpose other than the payment of the principal of and interest on the Notes until paid. Said special trust fund shall first be used for the payment of principal of and interest on the Notes and then for other purposes set forth in the Bond Resolution;

(c) It shall keep all of the covenants and agreements required by it to be kept by the provisions of the Bond Resolution;

(d) It shall pay into the funds created by Section 6 of the Bond Resolution the same amounts and at the same times as would have been required to be paid therein if the Revenue Bonds were issued in an equal principal amount instead of the Notes, and the funds in the Special Redemption Fund (defined in the Bond Resolution) shall be held and be available for and are hereby

pledged to the payment of principal of and interest on the Notes until the Notes shall have been paid in full;

(e) The Notes are issued for the purposes for which the Revenue Bonds shall be issued;

(f) It has duly authorized the issuance and sale of the Revenue Bonds by the Bond Resolution which is now and shall remain in full force and effect and all conditions precedent to the issuance of the Revenue Bonds required by law and by the Bond Resolution have been complied with.

Section 9. 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 quarterly installments as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System, and out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. However, such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if necessary, (b) yearly appropriations therefor and (c) applicable levy limitations, if any; 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 Revenue Fund created by Section 6 of the Bond Resolution.

Section 10. Application of Proceeds. The proceeds received from the sale of the Notes (the "Note Proceeds") (other than any other premium, any accrued interest or any proceeds to be used to fund a reserve fund) shall be applied to pay the cost of refunding the portions of the 1995 Note and the 1996 Note issued to finance improvements to the System and the remainder shall be deposited into the Water System and Sewer System Improvement Fund created by Section 12 of the Bond Resolution to be used solely to meet costs of the Project as authorized by and described in the Bond Resolution.

Section 11. Arbitrage Covenants. The Municipality shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Notes (the "Closing"), would cause the Notes to be "arbitrage bonds" within the meaning of

Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any income tax regulations promulgated thereunder (the "Regulations").

The Notes Proceeds may be temporarily invested in legal investments until needed, provided however, that the Municipality hereby covenants and agrees that so long as the Notes remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Notes, whether such moneys were derived from the Note Proceeds or from any other source, will not be used or invested in a manner which would cause the Notes to be "arbitrage bonds" within the meaning of the Code or Regulations.

The Village Clerk/Treasurer, or other officer of the Municipality charged with responsibility for issuing the Notes, shall provide an appropriate certificate of the Municipality, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the Municipality regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 12. Additional Tax Covenants; Small Issuer and Six Month Expenditure Exemption from Rebate; Qualified Tax-Exempt Obligation Status; Reimbursement. The Municipality hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Notes) to assure that the Notes are obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout their term. The Village Clerk/Treasurer or other officer of the Municipality charged with the responsibility of issuing the Notes, shall provide an appropriate certificate of the Municipality as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the Municipality to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Notes will continue to be obligations described in Section 103(a) of the Code, the interest of which is excluded from gross income for federal income tax purposes.

For purposes of complying with the Regulations, particularly the rebate requirements of the Regulations, the portion of the proceeds of the Notes that will be used for the Refunding and the portion of the proceeds of the Notes that will be used for the Project shall be considered proceeds of separate issues, respectively referred to as the "Refunding Portion" and "New Money Portion."

In accordance with Section 148(f)(4)(D) of the Code, the Municipality covenants that it is a governmental unit with general taxing powers; that the Notes are not "private activity bonds" as defined in Section 141 of the Code; that ninety-five percent (95%) or more of the net proceeds of the New Money Portion of the Notes are to be used for local governmental activities of the Municipality; and that the aggregate face amount of all tax-exempt obligations (other than "private activity bonds") issued by the Municipality, including all subordinate entities of the Municipality, during calendar year 1997 will not exceed \$5,000,000. If for any reason the Municipality did not qualify for the small issuer exemption from the rebate requirements of the Code for the New Money Portion of the Notes, the Municipality covenants that it would take all necessary steps to comply with such requirements.

In accordance with Section 148(f)(4)(B) of the Code, the Municipality covenants that it is a governmental unit with general taxing powers; that the Notes are not "private activity bonds" as defined in Section 141 of the Code; that ninety-five percent (95%) or more of the net proceeds of the Refunding Portion of the Notes are to be used for local governmental activities of the Municipality; and that 100% of the proceeds of the Refunding Portion of the Notes will be expended for the governmental purposes of the issue within six months of the Closing. If for any reason the Municipality did not qualify for the six month exemption from the rebate requirements of the Code for the Refunding Portion of the Notes, the Municipality covenants that it would take all necessary steps to comply with such requirements.

The Village Board hereby designates the Notes to be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code and in support of such designation, the Village Clerk/Treasurer or other officer of the Municipality charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the Municipality as of the date of delivery and payment for the Notes.

The Municipality declares its reasonable expectation to reimburse itself from the Note Proceeds for expenditures relating to the Project which it pays from other funds of the Municipality prior to receipt of the Note Proceeds no more than 60 days prior to the date this Resolution is adopted. The Municipality may also reimburse itself for preliminary expenditures relating to the Project (such as architectural, engineering, surveying, soil testing, costs of issuance and similar costs but not including land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the issue price of the Notes. This declaration and the Resolution of which it is a part, shall be publicly

available in the official books, records or proceedings of the Village Board.

Section 13. Execution of the Notes. The Notes shall be prepared in typewritten or printed form, executed on behalf of the Municipality by the manual or facsimile signatures of the President and Village Clerk/Treasurer authenticated by its fiscal agent, if any, sealed with its official or corporate seal, if any, or a facsimile thereof and delivered to the Original Purchaser upon payment to the Municipality of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the delivery of the Notes, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute all documents as may be necessary and convenient for effectuating the Closing.

Section 14. Redemption of the Outstanding Notes. The Village Board hereby calls the Outstanding Notes due after May 1, 1997 for redemption on May 1, 1997. The Municipality hereby directs the Purchaser to cause sufficient and timely notice of redemption of the Outstanding Notes to be provided.

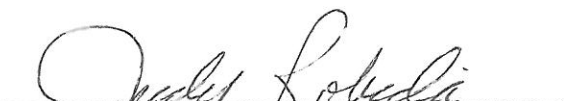
Section 15. Conflicting Resolutions, Severability and Effective Date. All prior resolutions, rules or other actions of the Municipality or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one 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.

Adopted and recorded this 16th day of April, 1997.

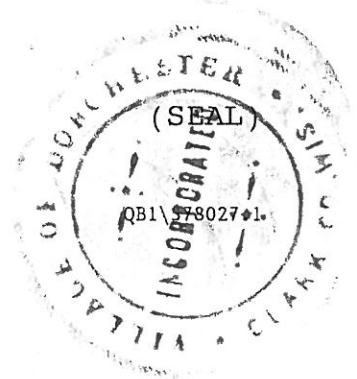


James Jantsch
President

ATTEST:



Judy Robida
Village Clerk/Treasurer



such other address as may be furnished in writing by such registered owner to the Village Clerk/Treasurer.

This Note is one of an issue of Notes aggregating the principal amount of \$484,000, all of which are of like tenor, except as to denomination, issued by the Village pursuant to the provisions of Section 66.066(2)(m), Wisconsin Statutes, for the purpose of paying the cost of constructing, improving and extending water and sewer mains and refunding certain outstanding obligations of the Village, all as authorized by resolutions of the Village Board duly adopted by said governing body at a meeting held on April 16, 1997. Said resolutions are recorded in the official minutes of the Village Board for said date.

On April 16, 1997, the Village Board adopted a resolution pursuant to Section 66.066, Wisconsin Statutes (the "Bond Resolution") authorizing the issuance and sale of approximately \$484,000 Water System and Sewer System Revenue Bonds (the "Revenue Bonds") for the purpose of paying the cost of the Project and the Refunding. The Notes are issued to anticipate the sale of the Revenue Bonds.

The Notes are payable only from:

- 1) any proceeds from the issuance and sale of the Notes set aside for payment of interest on the Notes;
- 2) the proceeds to be derived from the issuance and sale of the Revenue Bonds which shall be set aside as a special trust fund for that purpose; and
- 3) a sufficient amount of the income and revenues of the Village's water system and sewer system deposited in the Special Redemption Fund created pursuant to the Bond Resolution.

The Notes constitute a first pledge of the funds so set aside and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation or provision.

At the option of the Village, the Notes are subject to redemption prior to maturity on any interest payment date. Said Notes are redeemable as a whole or in part by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Before the redemption of any of the Notes, unless waived by the registered owner, the Village shall give notice of such redemption by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the registered

owner of each Note to be redeemed, in whole or in part, at the address shown on the registration books. 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 with the registered owner at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

The Notes are issued in registered form in the denomination of \$1,000 or any integral multiple thereof. This Note may be exchanged at the office of the Village Clerk/Treasurer or Village Treasurer for a like aggregate principal amount of Notes of the same maturity in other authorized denominations.

This Note is transferable by a written assignment duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Note, in authorized denomination or denominations and in the same aggregate principal amount, shall be issued to the transferee in exchange hereof.

The Village may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes, and the Village shall not be affected by notice to the contrary.

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 Village has covenanted to issue and sell the Revenue Bonds, the sale of which this Note anticipates, as soon as practicable and to set aside the proceeds of the Revenue Bonds into a special trust fund for the payment of the principal of and interest on this Note. It is hereby further certified that the Village has designated this Note to be a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

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

Dated: _____

Signature Guaranteed:

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

(Registered Owner)

(Authorized Officer)

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


*The Internal Revenue Code of 1986 (IRC Section 149) requires that for interest on a municipal obligation with a term greater than one year to be exempt from federal income tax, the obligation must be issued and remain in registered form.

Section 67.09 of the Wisconsin Statutes provides that the Village Clerk/Treasurer of the Village when acting as the registrar shall record the registration of each note or bond in its bond registrar. Therefore, if this Note is to be assigned, the Village Clerk/Treasurer of the Village should be notified and a copy of this Assignment should be sent to the Village Clerk/Treasurer of the Village for his or her records.

IN WITNESS WHEREOF, the Village of Dorchester, Clark and Marathon Counties, 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 President and Village Clerk/Treasurer; and to be sealed with its official or corporate seal, if any, all as of the 30th day of April, 1997.

VILLAGE OF DORCHESTER
CLARK AND MARATHON COUNTIES,
WISCONSIN

By: _____


James Jantsch
President

(SEAL)

By: _____


Judy Robida
Village Clerk/Treasurer